

# BANK AND QUOTATION

## SUPPLEMENT

TO THE

## COMMERCIAL & FINANCIAL CHRONICLE.

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### REVIEW OF MARCH.

Severe liquidation was again experienced on the Stock Exchange. Many different circumstances tended to promote this liquidation. Congress adjourned on the 4th without having taken action on Senator Aldrich's financial bill, which was intended to add to the scope of the powers of the Secretary of the Treasury for preventing money accumulations in Treasury vaults, and operators on the Stock Exchange took a decidedly unfavorable view of the effects of the failure of this measure. At the same time labor troubles continued decidedly prominent and current railroad returns showed that higher wages and enhanced cost of material and supplies were adding very materially to the cost of operating the railroads. It was urged, too, that financial interests were carrying considerable lines of new securities which they had as yet been unable to float. The large borrowings by some leading corporations for the moment also had an adverse effect, although these borrowings followed in considerable measure from attempts to provide additional means for handling the enormous amount of traffic offering for shipment.

So far as underlying conditions controlling values are concerned, there was no occasion whatever for distrust, the only unfavorable feature being the labor situation. Some rumors of embarrassment in mercantile circles were circulated, but it subsequently appeared that the only basis for the same was the fact that the firm of Dresser & Co. found itself involved in difficulties by reason of special causes. Trade as a whole remained sound and of large volume.

Some special circumstances likewise operated against special stocks. Among these may be mentioned the differences that developed between a pool in Southern Pacific stock engineered by Mr. James R. Keene and the controlling interests in this property held by the Union Pacific. A determined attack was made on Metropolitan Street Railway stock, and rumors of unfavorable developments in this property were circulated with great persistency. It finally appeared that a former official of the Third Avenue Railroad Company had discovered, as he thought, discrepancies in the reports of the company and had brought these discrepancies to the attention of certain people usually identified with Wall Street operations.

Though the Street was taking an unfavorable view of the effect of the failure of the Aldrich bill in

Congress, the Secretary of the Treasury soon made it apparent that he had no intention of letting Treasury operations produce serious embarrassment in the money market. On the 26th he issued a circular giving to the holders of U. S. 4s of 1907 and U. S. 3s of 1918 another opportunity to convert their bonds into the new 3 per cent consols. In other words, he resumed refunding operations, which were suspended at the close of 1900. The favorable aspect of the matter was that to the extent to which the offer is availed of the Secretary will be obliged to make payment in cash for the premium allowed on the old bonds, thus releasing a corresponding amount of cash from Treasury vaults. The U. S. Senate, which had been convened in extra session, approved the treaty with the Republic of Colombia, bringing correspondingly nearer the time when the Treasury will be obliged to pay out 50 million dollars in settlement for the purchase of the canal.

The Anthracite Coal Commission rendered its report and made its awards. The miners were given an increase of 10 per cent in wages, but the sliding scale as a basis for future changes was adopted as recommended by the operators, and emphatic condemnation was expressed of the persecution to which non-union men had been subjected, besides which the Commission declined to recognize the Mine Workers' Union. The report of the Commission was without influence, but from many different directions came evidences that the labor situation still constitutes a very troublesome feature in affairs. The New Haven Railroad was threatened with a strike. There was also talk of a strike on the Manhattan Elevated Railroad, and much attention was given to the disgraceful features attending the trolley strike at Waterbury. The American Bridge Company, one of the constituent companies of the United States Steel Corporation, also had trouble with some of its men.

The Pennsylvania Railroad shareholders sanctioned the increase in the authorized amount of stock of the company from \$251,701,000 to \$400,000,000. The management thereupon issued a notice giving stockholders the right to subscribe at 120 for new shares to the extent of 33 1/2 per cent of their present holdings. It was calculated that this would add 70 to 80 million dollars to the outstanding amount of stock. Payments, however, for the new shares are extended over a long period of time.

With occasional interruptions, the decline in the stock market may be said to have continued throughout the month. The fall in prices amounted to from 10 to 15 points, even in the case of some of the better class of properties, New York Central and Pennsylvania being especially prominent. In the great majority of cases the lowest prices of the year were reached. Practically no support whatever was accorded to the market, leading interests evidently favoring the liquidation as a means for placing stock values (which by many had been considered unduly high) on a sounder basis. Some recovery occurred on the last day of the month on the publication of an interview with Mr. J. P. Morgan taking a bright view of the future.

VOLUME OF BUSINESS ON THE STOCK EXCHANGE.				
Month of March—	1903.	1902.	1901.	1900.
Stock sales—				
Number of shares...	15,095,306	11,957,400	27,060,948	14,448,782
Par value.....	\$1,324,434,400	\$1,148,400,750	\$2,624,011,150	\$1,400,993,580
Bond sales (par value)—				
Railroad & misc. bds.	\$51,897,600	\$64,942,900	\$132,793,400	\$66,455,900
Government bonds.	298,000	55,400	145,250	1,951,940
State bonds.....	14,000	104,000	809,000	445,000
Total bond sales..	\$52,099,600	\$65,002,300	\$133,737,650	\$68,852,840
Jan. 1 to March 31—				
Stock sales—				
Number of shares...	49,018,545	39,737,575	79,249,845	34,485,900
Par value.....	\$3,985,596,875	\$3,767,048,400	\$7,661,430,450	\$3,333,328,028
Bond sales (par value)—				
Railroad & misc. bds.	\$182,515,800	\$240,000,400	\$330,632,800	\$155,415,400
Government bonds.	330,000	104,700	663,170	2,248,940
State bonds.....	220,500	481,500	1,342,900	601,300
Total bond sales...	\$182,955,100	\$241,305,000	\$332,537,970	\$158,265,640

## SALES OF GRAIN ON THE PRODUCE EXCHANGE.

	1903.	1902.	1901.	1900.
Month of March.....	Dushels 40,065,950	Dushels 57,457,350	Dushels 45,904,750	Dushels 71,891,000
January 1 to March 31.....	130,098,750	162,040,850	163,342,000	174,170,200

The foreign exchange market sharply declined the early part of the month, under the influence of higher money rates. There was a pressure of loan bills and the decline was greatest in long sterling, this class of bills being directly affected by a liberal supply of 60 and 90-day drafts representing foreign loans. About the 10th of the month a sharp recovery in exchange occurred. The reason assigned was that there was a considerable inquiry for remittance for the settlement through arbitrage operations of loans maturing in Berlin. There was at this time, also, a demand for exchange for future delivery, apparently in expectation of higher rates in May and June, and it was suggested that much of this inquiry might be due to a desire to make provision against an expected scarcity of bills as the result of possible absorptions for remittance in connection with the 50-million-dollar payments to be made for the Panama Canal. Towards the close of the month exchange rates fell off, influenced in part by offerings of loan bills encouraged by the relatively firmer rates for money here than abroad, and especially on the Continent. Considerable selling, however, of stocks by arbitrage houses for London account was also in evidence, and on the 25th a shipment of \$500,000 gold coin to Buenos Ayres was announced.

## POSTED RATES—BANKERS' STERLING BILLS.

Mar.	60 days.	Demand.	Mar.	60 days.	Demand.	Mar.	60 days.	Demand.
1.....	B.	.....	13.....	4 84-84 1/2	4 87 1/2	25.....	4 84 1/2-85	4 88
2.....	4 85	4 88	14.....	4 84-84 1/2	4 87 1/2	26.....	4 84 1/2-85	4 88
3.....	4 85	4 88	15.....	B.	.....	27.....	4 84 1/2	4 87 1/2-88
4.....	4 85	4 88	16.....	4 84-84 1/2	4 87 1/2	28.....	4 84 1/2	4 87 1/2-88
5.....	4 84 1/2-88	4 88	17.....	4 84 1/2	4 87 1/2-88	29.....	B.	.....
6.....	4 84 1/2-88	4 88	18.....	4 84 1/2	4 87 1/2-88	30.....	4 84 1/2	4 87 1/2-88
7.....	4 84 1/2-88	4 88	19.....	4 84 1/2	4 88	31.....	4 84 1/2	4 87 1/2-88
8.....	B.	.....	20.....	4 84 1/2	4 88			
9.....	4 88 1/2-4 1/2	4 87-37 1/2	21.....	4 84 1/2	4 88	Open	4 85	4 88
10.....	4 88 1/2-4 1/2	4 87-37 1/2	22.....	B.	.....	High	4 86	4 88
11.....	4 84-4 1/2	4 87 1/2	23.....	4 84 1/2-85	4 88	Low.	4 84 1/2	4 87
12.....	4 84-4 1/2	4 87 1/2	24.....	4 84 1/2-85	4 89	Last.	4 84 1/2	4 87 1/2

## ACTUAL RATES.—BANKERS' AND COMMERCIAL BILLS.

		Bankers' Bills.		Commercial Bills.	
		60 Day.	Sight.	On Documents.	For Payment.
March	2.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	3.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	4.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	5.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	6.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	7.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	8.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	9.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	10.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	11.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	12.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	13.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	14.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	15.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	16.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	17.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	18.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	19.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	20.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	21.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	22.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	23.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	24.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	25.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	26.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	27.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	28.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	29.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	30.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4
"	31.....	4 84 1/2-84 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4	4 87 1/2-87 3/4

The money market showed more or less tension throughout the month, but money on call did not get above 8 per cent until the last of the month. On the 31st some loans were made at 15 per cent. Surplus reserves of the Clearing House banks were reduced to \$666,975 March 7th, but recovered to \$6,280,900 March 28th, the improvement, however, being effected mainly through a contraction in loans with a corresponding shrinkage in deposits. Loans March 28th were only \$904,599,200, against \$950,156,300 February 28th.

## RATES FOR MONEY IN NEW YORK, WEEKLY.

	Mar. 7.	Mar. 14.	Mar. 21.	Mar. 28.
Call Loans—				
Stock Exchange—Range for week.....	3-6	2 1/2-8	4-7	5-7
Average for week.....	4 1/2	5 1/2	6	5 1/2
At banks and trust companies.....	4	5 1/2	6	5 1/2
Time Loans—				
Thirty days.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Sixty days.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Ninety days.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Four months.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Five months.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Six months.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Seven months.....	5 1/2	6	5 1/2-5 3/4	5-5 1/2
Commercial Paper—				
Double Names—Choice 60 to 90 days.....	5-5 1/4	nom.	5 1/2-5 3/4	5 1/2-5 3/4
Single Names—Prime to 6 months.....	5 1/4-5 1/2	nom.	5 1/2-5 3/4	5 1/2-5 3/4
Good 4 to 6 months.....	5 1/4-5 1/2	nom.	5 1/2-5 3/4	5 1/2-5 3/4





[illegible]



## BONDS.

NEW YORK STOCK EXCHANGE.

[illegible]



[illegible]









































Bonds.	Bid.	Ask.	To Net.	Bonds.	Bid.	Ask.	To Net.	Bonds.	Bid.	Ask.	To Net.
Salamanca Township— 6s, RR. Aid, '16, Opt. J&J	95	100	6-04	Westbrook— 4s Funding, 1912...J&J	105	107½	---	Northampton— 4s, School, July 1, 1915, J&J	109	---	---
Sedgwick Co.— 5½s, Ref'dg, 1910...F&A	115	118	3-7½	Yarmouth—4s, g, 1915, J&J	---	---	---	4s, April, 1921	---	---	---
5s, C. H., 1908-1909, J&J	---	---	3-7½	---	---	---	---	3½s, g, 1903 to 1926, J&J	---	---	---
5s, Fund., '25 op. '15, J&J	113	115	3-7½	---	---	---	---	Pittsfield— 4s, Sch'l, 1903 to '17, M&N	---	---	---
Shawnee Co.— 4s, C. H., May 1, '24, M&N	101	104	3-7	---	---	---	---	3½s, 1903 to 1910...F&A	---	---	---
Topske— 5s, Aug. 10, 1905...J&J	110½	111½	3-54	MARYLAND	---	---	---	Quincy— 4s, 1903 to 1937...A&O	---	---	---
5s, Aug. 10, 1912...J&J	113½	114½	3-54	5s, Sch., 1903 to '28, J&J	100	---	---	3½s, Apr., 1903 to '39, A&O	---	---	---
3½s, Ref'dg, 1919...J&J	101	103½	3-54	Baltimore— 5s, July 1, 1916...M&N	123	123½	---	Salem—5s, 1904...J&J	---	---	---
Wichita— 6s, June 1, 1918...J&D	118	121½	4-2½	4s, Nov. 1, 1925...M&N	117	118	---	4s, June, 1913...J&D	108½	---	---
5s, Sch., July 1, 1905, J&J	103	104	4-2½	4s, Water, 1926...M&N	117	120	---	Somerville— 5s, July 1, 1906...J&J	---	---	---
KENTUCKY	---	---	---	3½s, Jan. 1, 1928...J&J	109½	110½	---	4s, July, 1903 to 1919, J&J	---	---	---
4s, g, June 1, 1905...J&D	102	---	---	3½s, July 1, 1930...J&J	110	110½	---	Springfield— 6s, Water, Apr. 1, '05, A&O	---	---	---
A&N Co.— 4s, Ref., Dec., '03-'30, J&J	---	---	---	3½s, Mar., 1945...M&N	112	113	---	4s, g, Wat., Apr. 1, '13, A&O	---	---	---
Ashland— 6s, Sch. Ref'dg, '07, J&D	---	4	---	3½s, Ref., 1952...J&J	113	---	---	3½s, g, Sch., Jan., 1917, J&J	---	---	---
5s, Fdg, Sept., 1914 op. '09	---	---	---	3½s, Jan. 1, 1927...J&J	101	---	---	3½s, g, May 1907, M&N	---	---	---
Covington— 5s, Feb., 1920 op. '10, F&A	---	---	---	Frederick Co.— 3½s, 1940 op. 1920...J&J	---	---	---	3½s, g, 1903 to '18, J&J	---	---	---
Frankfort—4s, Sep., '17-'27	---	---	---	Laurel—5s, 1915...J&J	---	---	---	Taunton—4s, 1905...J&D	101	---	---
Franklin Co.—6s, Bridge, Aug. 1, 1923 op. '03, F&A	---	---	---	4s, Water, 1941...J&J	---	---	---	4s, June, 1927...J&D	111	---	---
4s, Fund., July 1, '08, J&J	---	---	---	Prince George's Co.— 5s, Ct. House, 1922...J&J	---	---	---	3½s, Sep. Dec. 1, 1930, J&D	103	---	---
4s, Refundg, 1918, J&J	---	---	---	MASSACHUSETTS	---	---	---	Wakefield— 4s, Munic., '11 to '24, A&O	---	---	---
4s, Refunding, 1919, J&J	---	---	---	3½s, Gold, Nov. 1923...M&N	---	---	---	Waltham— 4s, Sewer, Oct. 1, '11, A&O	104	---	---
Lexington—6s, 1913...F&A	---	---	---	3½s, g, July 1, 1935...J&J	---	---	---	4s, Jan. 1927...J&J	110	---	---
5s, RR. aid, 1918...J&D	101	107½	3-60	3½s, Water, 1942...J&J	---	---	---	3½s, July, 1920...J&J	101	---	---
Logan County— 4s, Refdg, 1904 to '31, J&J	---	---	---	3s, g, April 1, 1909...A&O	---	---	---	Ware—4s, Sept., 1911...J&J	104	---	---
Louisville— 7s, Apr. 1, 1903...A&O	100	---	---	3s, g, April, 1915...A&O	---	---	---	Watertown—4s, 1906, M&N	101	---	---
5s, Ref., Aug. 1, '11, F&A	111	112	---	3s, g, Apr. 1, 1929...A&O	---	---	---	Webster—4s, 1923 op. 1913	---	---	---
4s, Mun. Imp., 1923, J&J	109	110	---	3s, g, May, 1929...M&N	---	---	---	Westfield—4s, '03 to '22, A&O	---	---	---
4s, do 1923 op. J&J	100	---	---	3s, g, March, 1936...M&N	---	---	---	3½s, 1903 to 1929...J&J	---	---	---
4s, do Dec. 1, '28, Q-M	111	112	---	3s, g, July 1, 1939...J&J	---	---	---	Winchester—3½s, Road, 1905 to 1909...J&D	---	---	---
4s, Park, 1930...J&J	112	114	---	3s, g, Water, Jan. 1, '41, J&J	---	---	---	Winthrop—4s, Nov., 1908...J&J	101	---	---
4s, Refg, July 1, 1937, J&J	114	115	---	4s, Nov., 1947...M&N	113	---	---	Woburn—4s, Apr., '03 A&O	100	---	---</





[illegible]

\* Flat price.      † Sale price.





















## THE FINANCIAL SITUATION.

"The Sun," though a model newspaper, has its occasions when spots become visible on its "photosphere," rendered more dark by its relative brightness. One of these umbra-like visitations is pretty sure to develop whenever its editor handles the Sub-Treasury figures. As surplus bank reserves had been fluctuating around the vanishing point during March, and as that situation was being made overmuch of as an unfavorable feature, we prepared and gave in this column last Saturday a little statement to show it was Government vaults which had taken in and locked up Government surplus revenue, and that had consequently depleted the banks' cash to a considerable extent since the first of that month.

Our chief purpose in giving the figures was to prove that the currency the Clearing House institutions had lost on this occasion had not gone into speculative ventures at this centre or become involved in the general business activities of the country, but was still in sight, to be returned to the banks by the Secretary later on. Wishing also to use the incident as an object lesson to bring into added disrepute that decrepit institution, the Sub-Treasury system, we further added a sentence or two to emphasize the fact that the bank cash, the temporary loss of which was disturbing business, had, under the working of this old machine, been taken out of banks at a moment of great need and locked up in a Government vault, instead of being left in banks until required for the use of the Treasury.

"The Sun" takes our statement as a text to enforce its thought "that there is an idea in the minds of many people who ought to know better, that the present so-called money stringency in this country is due to the locking-up of money in the Treasury."

\* \* \* "Even so well informed a journal as our own FINANCIAL CHRONICLE, speaking of the strain on the money market, says that the whole outcome is simply another instance of the harsh working of that old maelstrom, the Sub-Treasury," &c. "The Sun" omits the sentence just previous to the last one quoted, which explains and restricts the meaning of the sentence "The Sun" quotes. We there confine our remark to "this latest loss," the March loss, of which we had given the figures. We said nothing whatever about the "present so-called money stringency in this country" being due "to the locking-up of money in the Treasury." The money stringency, according to our view, is an extremely complex problem which we had no thought of discussing at the time we wrote.

No doubt among the elements which go to make up the monetary situation is the periodic withdrawal of currency into the Sub-Treasury. The "Sun" admits that fact, but it says further (1) that "the harm that can be done by 'the Sub-Treasury maelstrom' at its very worst is represented by the amount of money that the Treasury actually locks up;" and (2) that "if current explanations are correct, this sum must be something prodigious." We regret we cannot assent to either of these propositions. The harm the Sub-Treasury works is due far more to the other monetary conditions prevailing at the time of the withdrawal than to the mere amount of the withdrawal. When gross reserves are abnormally small, or when surplus reserves are near or below the legal limit, or when the

rate ruling for foreign exchange threatens gold exports, or when the interior movement is running against this center, or when general trade or credit is extended to a sensitive state—when one or all of these conditions is pressing, very moderate withdrawals might precipitate a panic. On the other hand, when money is very cheap, congested as it were, and bank reserves are large, many millions might be taken out of banks and locked up in the Sub-Treasury without causing the least stringency or disturbance in the money market.

Clearly, then, Treasury withdrawals are harmful and disquieting, whether small or "prodigious," whenever they take out of the money market currency which the market at the moment cannot afford to lose. The movement we described last Saturday was just one of those occasions. We can bring it down one week later now. According to the official Treasury statements, the Government's "available cash balance" on the first of April 1903 was \$314,229,045; on the first of the previous month, March, it was \$307,989,216, which shows a loss to the banks in that month of \$6,239,829. Carrying the comparison back a little further we find that these withdrawals have been continuous and their influence consequently cumulative. On February 1 the same balance was \$301,943,864, or a loss to banks in the two months of \$13,285,181, and on December 1 1902 the balance was \$294,773,944, showing withdrawals into the Sub-Treasury and a loss to the banks from December 1 to April 1 of \$19,455,101. Suppose we could have added this 19½ million dollars to the surplus reserves last Saturday (\$6,280,900), making the surplus at that date \$26,736,001; with other items remaining unchanged, does any one suppose that the high rates current this week for call money could have prevailed? Even if we could have added the loss in March, 6½ million dollars, the situation would have been materially relieved.

The prevailing gloom on the Stock Exchange is not reflected in trade circles. Nearly all reports as to commercial affairs are highly satisfactory and all the ordinary trade indications bear out the favorable views expressed, showing that business remains unusually active and prosperous, though the labor situation continues disturbing. Bank clearings furnish one evidence of the volume of trade. We publish to-day our figures for the month of March, and for the whole country they show an increase as compared with the same month of last year of 7.9 per cent, while outside of New York the increase is 6 per cent. Comparisons for this point are always more or less affected by the activity or inactivity of speculation on the Stock Exchange, and therefore are never wholly conclusive as to the situation of mercantile trade. But taking the figures for the cities outside of this centre, a large and steady growth from year to year is plainly disclosed. Thus for March 1903 the aggregate of the exchanges, exclusive of those of New York, were 3,578 million dollars, which compares with 3,376 million dollars for March last year, 3,108 millions for March the year before and 2,781 millions in March 1900. For the three months ending with March the showing is of precisely the same character. Here the totals outside of New York are 10,708 million dollars for the quarter in 1903 against 10,116 million dollars in the corresponding quarter of 1902, 9,144 millions in 1901

and 8,224 millions in 1900. It will be observed that the increase for the three years is over 30 per cent.

Returns of mercantile failures also are on the whole satisfactory. According to the figures given in "Dun's Review," 3,200 mercantile firms met with disaster in the three months of 1903, as against 3,418 in the first quarter of 1902 and 3,335 in the first quarter of 1901—that is to say, in number this year's insolvencies have been less than in either 1902 or 1901. The aggregate of liabilities, however, it is proper to note, have been somewhat heavier, being \$34,344,433 for 1903, against \$33,731,758 in 1902, \$31,703,486 in 1901 and \$33,022,573 in 1900. Returns of railroad earnings, too, show unusually large percentages of improvement, at least in the case of the gross. For the third week of March our compilation covering all roads that make reports records 16.11 per cent increase and for the second week of March a similar compilation recorded 14.51 per cent gain.

There is one particular, however, in which returns of earnings are not encouraging, and that is in the matter of expenses. These expenses are rising in such a decided way that in the case of most of the leading roads they more than wipe out the large gains in gross, leaving an actual loss in net. Of course the anthracite coal roads for special reasons remain an exception to the rule, and there are a few other cases of the same kind, such for instance as the Louisville & Nashville Railroad. The latest returns are for the month of February. The Central of Georgia Railway, though having added \$188,058 to its gross, reports a decrease of \$57,729 in net. On the Union Pacific gross earnings fell off \$114,327, and this was accompanied by an addition of \$299,147 in expenses, leaving a loss of \$413,474 in net. The Southern Railway added \$401,203 to its gross and saved only \$9,433 for the net. The Atlantic Coast Line Railroad with \$79,534 increase in gross has \$49,736 decrease in net; the Kansas City Southern with \$71,498 increase in gross has \$26,268 decrease in net, and the Colorado & Southern, though having added \$33,789 to gross, suffers a decrease of \$31,962 in net. The Cleveland Cincinnati Chicago & St. Louis, with gross improved \$141,764, falls \$2,330 behind in net.

But the most conspicuous instance of all is the Pennsylvania Railroad. Gains in gross are still large, though no longer so large as formerly, while expenses are running up in a very striking manner. For the month of February there was an increase of \$676,200 in gross on the lines directly operated east of Pittsburgh and Erie but a decrease of \$706,600 in net, while on the lines directly operated west of Pittsburgh and Erie there is \$328,400 increase in gross with \$255,700 decrease in net. For the combined system, therefore, we have \$1,004,600 addition to gross but \$962,300 diminution in net. In other words, gross receipts for this month moved up one million dollars, but expenses were added to in the sum of nearly two million dollars. Of course, this follows large gains in both gross and net in most of the years preceding. The following shows the gross and net for February and the two months for the last six years on the lines directly operated east of Pittsburgh—the only portion of the system for which we have the data for such a comparison.

LINES EAST OF PITTSBURGH.	1903.	1902.	1901.	1900.	1899.	1898.
February.	\$	\$	\$	\$	\$	\$
Gross earnings....	8,229,594	7,559,924	7,144,984	6,187,384	4,569,884	4,529,584
Operat'g expenses	8,915,062	8,531,862	8,142,062	4,896,738	3,722,138	3,470,488
Net earnings..	1,313,802	2,020,482	2,002,362	1,556,601	846,701	1,359,101
Jan. 1 to Mar. 1.						
Gross earnings....	17,766,09-	16,136,098	15,186,398	13,577,005	9,891,065	9,918,605
Operat'g expenses	14,115,222	11,356,802	10,498,802	8,944,007	7,851,607	7,406,707
Net earnings..	3,651,406	4,779,296	4,691,596	3,433,598	2,039,398	2,511,898

NOTE.—These figures include the Buffalo & Allegheny Valley Division for 1901 and 1902 and 1903. In Feb., 1901, the earnings of this division were, approximately, gross, \$508,290; net, \$60,161. From January 1 to Feb. 28 the earnings of this division in 1901 were \$1,082,593 gross and \$286,798 net.

It will be observed that for the two months these Eastern lines have run ahead of last year in amount of \$1,660,600 in the case of the gross and fallen \$1,067,800 behind in the net. We may add that for the lines West of Pittsburgh the results for the two months show \$603,000 increase in gross and \$573,100 decrease in net. Altogether, therefore, the loss in net for the two months is \$1,640,900.

There was no change in official rates of discount by any of the European banks this week, and open market or unofficial rates were easy at all the chief centres. The Bank of Bengal reduced its rate of discount from 7 per cent to 6 per cent. The bullion holdings of the principal European banks showed more or less important declines, largely the result of the quarterly settlements. The Bank of England lost £1,484,339, the Bank of France £516,000 gold and £23,000 silver and the Imperial Bank of Germany £5,961,000 of cash. It may be noted that at the corresponding date last year this bank's loss of cash was £5,837,000. It is announced that a new 3 per cent loan for \$72,500,000 will be issued by Germany on April 17; the subscription price is to be 92.

The feature of the statement of the New York Associated Banks last week was a gain of \$1,494,900 in cash, whereas our estimate of the week's movement of money indicated a smaller increase by about \$1,000,000. Because of this gain and also of a reduction of \$1,605,600 in reserve requirements, due to a decrease of \$6,423,400 in deposits, the surplus reserve was increased by \$3,100,500 to \$6,380,900. Computed upon the basis of deposits less those of public funds, the surplus was \$16,328,400. Loans were decreased \$6,948,200, making \$45,609,500 since February 21, and, compared with this date, deposits show a reduction of \$68,959,300. The payment over the counter of the Sub-Treasury on Tuesday of a warrant for \$3,000,000, representing the appropriation by the last Congress for the relief of the Philippines, seemed to make it probable that the expenditures through this office for the week would much more than offset the receipts, thus contributing to a material gain by the banks. On Wednesday, however, the receipts by the Sub-Treasury for Customs and also on account of the retirement of circulation were large, while the payments for April interest on the public debt were small; and on Thursday the indications were that the operations of the office for the week would result in an important net loss to the banks. On Friday, though, the debit balance of the Assistant Treasurer at the Clearing House was large because of payments of interest checks, thus somewhat reducing the bank loss for the week. The refundable bonds which have presented at the Department in Washington for exchange for the 2 per cent consols under the terms of the circular of March 26 thus far amount to \$11,662,000.

Money on call, representing bankers' balances, loaned at the Stock Exchange during the week at 15 per cent and at  $5\frac{1}{2}$  per cent, averaging about 8 per cent. The high rates were due to preparations, which began on Monday, for the disbursement of April interest and dividends, and also for the payment of about \$9,600,000 by the subscribers for the new common stock of the Chicago & North Western Railroad Company. The distribution of the April disbursements after the beginning of the month seemed to make no impression upon the market until the close of the week, and even then the decline in rates was not important. On Monday loans were at 8 per cent and at  $5\frac{1}{2}$  per cent, with the bulk of the business at 6 per cent. On Tuesday transactions were at 15 per cent—the highest since December 31 last year—and at 6 per cent, with the majority at 8 per cent. On Wednesday loans were at 15 per cent and at 6 per cent, with the bulk of the business at  $8\frac{1}{2}$  per cent; the prompt placing of about \$8,000,000 of the money paid for the new Chicago & North Western stock had only a slight influence upon the market. On Thursday transactions were at 12 per cent and at 6 per cent, with the majority at 8 per cent. On Friday loans were at 9 per cent and at 6 per cent, with the bulk of the business at 8 per cent. Banks and trust companies loaned at 6 per cent as the minimum. Brokers report a very light inquiry for time loans and the reason assigned is that the majority of the commission houses are well provided with money, which they borrowed some months ago, and those houses which are inclined to make contracts prefer to wait until later in the month, when they expect that lower rates will prevail. The offerings are only moderate, and chiefly for long dates. Quotations are  $5\frac{1}{2}$ @ $5\frac{1}{2}$  per cent for four to six months on good mixed Stock Exchange collateral. The same rates are quoted for sixty to ninety days, but there is no disposition to borrow for these periods. The commercial paper market is dull with very few new names offering, and the local demand is light. The business reported is principally with interior banks. Rates are  $5\frac{1}{2}$  per cent for sixty to ninety-day endorsed bills receivable,  $5\frac{1}{2}$ @6 per cent for prime and 6@ $6\frac{1}{2}$  per cent for good four to six months' single names.

The Bank of England minimum rate of discount remains unchanged at 4 per cent. The cable reports discounts of sixty to ninety day bank bills in London  $3\frac{1}{2}$  per cent. The open market rate at Paris is  $2\frac{1}{2}$  per cent and at Berlin and Frankfurt it is  $2\frac{1}{2}$ @ $2\frac{1}{2}$  per cent. According to our special cable from London the Bank of England lost £1,484,339 bullion since the week and held £36,198,026 at the close of the week. Our correspondent further advises us that the loss was due to imports of £374,000, of which £14,000 from Australia and £360,000 bought in the open market, to shipments of £1,488,000 net to the interior of Great Britain and to exports of £370,000 to South America.

The foreign exchange market has been very dull and almost featureless during the week. Notwithstanding firm rates for money the tone of the market has been steady and the fluctuations from day to day have been slight. Bankers have apparently been indisposed to buy bills, preferring to employ their balances on call; the mercantile demand for remittance is checked because of the temporary activity in the money market, and other inquiries for remittance

seem to be deferred, awaiting a relaxation in money rates. The prospect that time loans will soon grow easier tends to make undesirable the negotiation of foreign loans through exchange, and there does not appear to be any demand for sight bills for the settlement of maturing obligations of this character. It was reported during the week that there had been quite large purchases of stocks for European account, but there was no evidence in the exchange market of such buying. Commercial bills were in fair supply early in the week, but they were chiefly deliveries on contract. The Assay Office paid \$788,637 79 for domestic bullion. Gold received at the Custom House during the week, \$196,858.

Nominal quotations for exchange are  $4\frac{84}{100}$  for sixty-day and  $4\frac{87}{100}$ @ $4\frac{88}{100}$  for sight. Some business was done in long sterling on Saturday of last week at an advance of 10 points compared with the previous day at  $4\frac{8375}{100}$ @ $4\frac{8385}{100}$ ; there was no change, however, either in sight sterling or in cables, these remaining at  $4\frac{8690}{100}$ @ $4\frac{87}{100}$  for the former and at  $4\frac{8750}{100}$ @ $4\frac{8760}{100}$  for the latter. On Monday long was unaltered, while short rose 10 points, to  $4\frac{87}{100}$ @ $4\frac{8710}{100}$  and cables advanced 10 points, to  $4\frac{8760}{100}$ @ $4\frac{8770}{100}$ . The market was dull and firm, and on the following day it became almost stagnant, so continuing for the remainder of the week with only a slight alteration in sterling rates. Continental exchange was likewise dull and the fluctuations were chiefly noticeable in francs and in sight guilders.

The following shows daily posted rates by some of the leading drawers.

DAILY POSTED RATES FOR FOREIGN EXCHANGE.

	FRI Mar. 27.	MON. Mar. 30.	TUES. Mar. 31.	WED. Apr. 1.	THUR. Apr. 2.	FRI. Apr. 3.
Brown Bros. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Baring. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Magoun & Co. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Bank British .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
No. America. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Bank of Montreal .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Canadian Bank of Commerce. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Heidelbach, Ldk. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Heidelbach, Ldk. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Laazrd Freres. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
Merchants' Bk. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$
of Canada. .... { 60 days	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$	$4\frac{84}{100}$

The market closed at  $4\frac{8370}{100}$ @ $4\frac{8380}{100}$  for long,  $4\frac{8690}{100}$ @ $4\frac{87}{100}$  for short and  $4\frac{8750}{100}$ @ $4\frac{8760}{100}$  for cables. Commercial on banks  $4\frac{83\frac{1}{2}}{100}$ @ $4\frac{83\frac{1}{2}}{100}$  and documents for payment  $4\frac{82\frac{1}{2}}{100}$ @ $4\frac{83\frac{1}{2}}{100}$ . Cotton for payment  $4\frac{82\frac{1}{2}}{100}$ @ $4\frac{82\frac{1}{2}}{100}$ , cotton for acceptance  $4\frac{83\frac{1}{2}}{100}$ @ $4\frac{83\frac{1}{2}}{100}$  and grain for payment  $4\frac{83\frac{1}{2}}{100}$ @ $4\frac{83\frac{1}{2}}{100}$ .

The following gives the week's movements of money to and from the interior by the New York banks.

Week Ending April 3, 1902.	Received by N. Y. Banks.	Shipped by N. Y. Banks.	Net Interior Movement.
Currency.....	\$6,000,000	\$5,275,000	Gain. \$725,000
Gold.....	924,000	714,000	Gain. 210,000
Total gold and legal tenders.....	\$7,014,000	\$6,000,000	Gain. \$1,014,000

With the Sub-Treasury operations the result is as follows.

Week Ending April 3, 1902.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks interior movement, as above	\$7,014,000	\$6,000,000	Gain. \$1,014,000
Sub-Treas. operations.....	20,300,000	22,000,000	Loss. 1,700,000
Total gold and legal tenders.....	\$27,314,000	\$28,000,000	Loss. \$686,000

The following table indicates the amount of bullion in the principal European banks.

Bank of	April 2, 1903.			April 8, 1903.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	86,195,028		86,195,028	85,850,518		85,850,518
France	160,232,453	43,523,949	203,756,402	162,100,451	44,807,908	206,908,359
Germany	30,294,030	10,841,030	41,135,060	31,891,000	12,905,000	44,796,000
Austria	79,413,000	8,475,000	87,888,000	78,198,000	8,818,000	87,016,000
Aust-Hungary	46,806,000	18,968,000	65,774,000	44,690,000	18,887,000	63,577,000
Spain	14,450,000	30,380,000	44,830,000	14,078,000	18,168,000	32,246,000
Italy	17,550,000	3,373,800	20,923,800	16,091,000	3,127,700	19,218,700
Netherlands	8,937,400	6,652,000	15,589,400	4,789,700	6,881,800	11,671,500
Belgium	8,113,667	1,556,323	9,670,000	8,148,889	1,071,667	9,220,556
Total	381,701,645	107,801,178	489,502,823	389,301,009	107,777,678	497,078,687
Per cent. w't	339,593,970	104,114,905	443,708,875	389,301,009	107,777,678	497,078,687

## BRITISH CONSOLS.

To-morrow, April 5, is the date fixed by law for a rather striking event in public finance. During more than a century "British consols" was a term interchangeable with "the three per cents," and passed not only into the vernacular of finance, but into literature, as a type of impregnable investment. "The comfortable security of the three per cents" was one of Disraeli's aphorisms in an address to Parliament. The name itself, the "Century Dictionary" even now informs us, is an abbreviation for "the consolidated three-per-cent annuities."

Nevertheless, the three per cents as an institution in British finance have been obsolete for fifteen years. Mr. Goschen, a financier of courage and imagination, was at the head of the Exchequer during 1888, when the Government's option to redeem its three per cent debt came to maturity. He believed that the time had come when the rise in English public credit and the fall in the rate of interest on investments generally would warrant the fixing of a lower annual rate of payment. It was commonly expected that he would offer continuance of the debt for a season at the old three-per-cent rate, to be followed by automatic reduction to the rate of 2½. But Mr. Goschen's scheme was bolder than this. Having surrounded his plan with practical safeguards, he announced that the only alternative to redemption would be conversion into 2½ per cents for a term of fifteen years, after which time the rate would be further cut to 2¼. The proposed fifteen-year period would expire on April 5 1903.

It was freely predicted at the time that sales by holders unwilling to accept the lower rate would be so large as to force down the price substantially. But for two reasons this did not happen. One reason was that consols were selling at a premium on the market, so that no inducement appeared to surrender them for face value to the Government. The other was that the scope of trustee investment was exceedingly limited by law, so that for very large holdings the problem instantly arose, what should be done with the proceeds of such sales? For these and other causes Mr. Goschen's conversion of 1888 was successfully carried out and the price not seriously disturbed.

The singular combination of events which has arisen on the approach of the date for a fall to 2¼ per cent must at least suggest the inquiry, whether Mr. Goschen's plan for the longer future, or any plan fixing a new rate at such future period by decree of law, can be called wholly prudent. Had events progressed as the situation of 1888 appeared to promise, conversion to the lower rate would have been feasible even had redemption rights been reserved to the Government for 1903. Ten years, indeed, after the fall

to 2½ per cent, the Stock Exchange itself had fixed for consols a valuation at which the investment yield was less than the 2½ per cent prescribed by the Exchequer for 1903. The public revenue, under Sir William Harcourt's productive budgets, yielded a quite unprecedented surplus. Excess of annual revenue, which rarely had run beyond \$5,000,000 or \$10,000,000, rose in 1896 to the high figure of \$21,000,000, and purchases of consols for the sinking fund were in that year \$10,760,000. The surplus and the debt redemption were only slightly less in 1897 and 1898; the Exchequer became, in fact, an urgent bidder against not only private estates and individuals, but against the post-office savings banks, a branch of the Government itself. Consols went up in 1897 very nearly to 114.

Mr. Goschen could hardly have foreseen this curious development. He may have guessed at it; but he could certainly have had no inkling of the events which followed. The prolonged Boer War, with its repeated and immensely large issues of new consols, the suspension of the sinking fund, the depression of English markets, the enlargement by upwards of £200,000,000 of the list of securities authorized for trustee investment, the re-sale of consols by France because of the registration tax imposed against their conversion to 2½ per cent, and by this country because of a movement to pay off foreign obligations, were something which the most daring financial imagination could not have predicted. These various causes, combined with the public's traditional dislike to see interest rates scaled down on a falling market, explain sufficiently the fall in consols last week to a fraction under 90, the lowest price, as has been pointed out in the despatches, reached since the Franco-Prussian war of 1870.

We see little trustworthy ground on which to base predictions as to the future course of consols. The circumstances leading to existing prices are peculiar; in some respects they are certainly temporary. In due course of time recovery in English financial activity is sure to come. Recovery in British public revenue has come already, and the Chancellor of the Exchequer has figured out a surplus for the fiscal year just opening. Eventually such increase will involve resumption of purchases for the sinking fund. On the other hand, the first result of a better fiscal showing ought to be remission of the war taxes, which are still pressing heavily on the English people. The markets from which the capital must come to enhance the price of consols are to be called on to absorb, not only many new and large issues of company, municipal and foreign government securities, but some \$150,000,000 bonds, issued with a British Government guaranty to rebuild the Transvaal, and a heavy loan to carry into effect the provisions of the Irish land-purchase undertaking.

We should be more confident in measuring these influences, one against the other, if we were sure what valuation the markets would put, under normal circumstances, on a 2¼-per-cent security. Our own consolidated 3 per cents, for reasons known to every one, give no adequate means of judging. Their present price of 106 or thereabouts is in large degree fictitious, created by laws which compel such banks as wish either note circulation or deposits of public funds, to buy. No public security, even here, has ever been issued outright at a rate of 2½ per cent or less, and with conditions in several regards so radio-

ally changed, there is little to guide us in the experience of 1897. The fact that consols, in the face of all the nervous discussion of the period, are slowly rising again from the price of 90, is of itself a reassuring fact. Developments of the next few months may throw light on the interesting problem.

#### THE REPORT OF THE NATIONAL RAILROAD OF MEXICO.

The appearance of the annual report of the National Railroad Company of Mexico (which is a reorganization of, and successor to, the old Mexican National Railroad Company) illustrates anew the difficulties all Mexican railroads labor under because of the constant depreciation of silver, and also gives added importance to the efforts now being made to remove this disability in the Mexican currency standard. President Raoul's prediction of improvement in the gross earnings of the property for the calendar year 1902 as compared with the calendar year 1901 was amply fulfilled, the total gross earnings for the calendar year 1902 having been \$9,262,859 in Mexican currency, as against only \$7,724,526 for the previous calendar year. Of this increase of over 1½ million dollars, however, only \$290,982 was added to the net earnings, the remaining \$1,247,351 having been consumed by augmented expenses, though it is only proper to say that about half the increase in gross receipts was derived from the carriage of construction material required in the work of changing the gauge of the road, and which construction material was entered in the accounts at but little more than the cost of the work. The ratio of expenses to gross earnings, which had been 62.16 per cent in 1901, was raised to 65.30 per cent in 1902. We know, of course, that United States railroads increased their expenses heavily during the same period, but the causes for the augmentation in Mexico are entirely different from those in this country.

The trouble with the Mexican roads, as we have so often pointed out in these columns, is not lack of growth in traffic and earnings, but the fact that the constant depreciation of the Mexican silver dollar adds to the cost of operating the roads and at the same time contracts the gold value of such net earnings as may remain after providing for such higher operating cost. The Mexican roads have to buy abroad (we mean in the United States and elsewhere outside of Mexico) a large portion of the supplies needed in their operation and pay for the same in gold. Obviously with the shrinkage in the value of the silver dollar more of such dollars are needed to buy a given quantity of supplies. Even the gross earnings, which have so steadily and so largely increased, assume a rather diminutive form when expressed in their gold equivalent. Thus the \$9,262,859 of gross in Mexican currency for the late calendar year represent only \$3,842,070 in gold, owing to the great decline in silver.

President Raoul, who discusses the affairs of the National Railroad Company in his usual interesting and intelligent way, gives some pertinent illustrations of the way in which the continued decline in silver is operating to the disadvantage of the company. He points out that with exchange at the rate that existed during the year in which the plan of readjustment of the Mexican National Railroad Company was put out (not to go any further back) by the readjustment

managers, the net revenue account of 1902 would have been approximately \$563,000 gold dollars more than the result actually attained.

The National Railroad of Mexico, besides having taken over the Mexican National Railroad Company, on which the present report of operations is based, also controls the Mexican International Railroad Company (880 miles) through the ownership of \$15,786,100 of the capital stock of that company, out of a total issue of \$20,708,200, and \$4,499,000 of its income bonds, the latter being the whole issue of such income bonds. Payment for these securities was made through the issue of \$7,000,000 preferred stock and \$7,000,000 4 per cent consolidated bonds of the National Railroad Company of Mexico, as provided in the readjustment plan. The income account of the National Railroad Company shows that 4 per cent interest was received on the \$4,499,000 of income bonds, yielding \$179,960. Including this amount, the total net income of the National Railroad Company of Mexico for the calendar year 1902 in gold was \$1,710,171. The accrued interest for the twelve months on the prior lien bonds and the first consolidated mortgage bonds aggregated \$1,557,299. The company charged up \$119,928 more for loss on Mexican money assets, owing to depreciation in the value of silver, leaving an actual balance on the operations of the twelve months of \$32,944.

There were some other circumstances besides the further depreciation in silver which reduced net results during the 12 months. As practically the whole property is in course of reconstruction, owing to the change being made in the gauge of the road, the movement of traffic was necessarily conducted under disadvantage from that cause. The increase in the price of materials and in the cost of labor operated against Mexican roads as it had against United States roads, and the additional drawback already referred to, namely that more silver money was required to pay a given sum in gold, intensified the importance of this feature. A strike of the firemen on the northern and Texas divisions of the line, in October, also seriously hindered, we are told, the prompt handling of traffic from that time until about the middle of January 1903.

As to the future, there are three elements of considerable importance which appear to give it a favorable hue. The reconstruction of the property, or rather the conversion of the greater part of the mileage from narrow gauge to standard gauge, is expected to be completed before the close of 1903, and then the property will be in condition to handle traffic with increased economy and efficiency. The shortening of the through line into the City of Mexico, which is part of the process of reconstruction, may be expected likewise to materially enlarge the volume of the road's business. In the second place a petition is pending before the Mexican Government, supported, so the report tells us, by all the railway lines in the country, asking for authority to establish a sliding scale of transportation rates, which shall automatically cover the fluctuations in the price of silver and in a measure protect the companies, pending the inauguration of some broad and permanent basis for the country's monetary system. In the third place it is confidently believed that it will be possible to find some solution by which the stability of exchange in Mexico shall be secured. Captain Raoul expresses the opinion that if this end is accomplished at an early day, the commercial and in-

dustrial affairs of Mexico will soon adjust themselves thereto, and the great progress which that country has been making for so many years past will be continued with little or no interruption.

While on this point it may be noted that Mr. Charles A. Conant of the Morton Trust Company returned from the City of Mexico this week and predicted early action to give stability to the currency of the Mexican Republic. Mr. Conant, it appears, was invited by the Mexican Government, along with Edward Brush of the American Smelting and Refining Company, and Prof. J. W. Jenks of Cornell University, to visit Mexico to confer with the Minister of Finance in regard to the provision made by Congress for the co-operation of the United States with Mexico and China with respect to a plan to give stability and uniformity to the currency systems of the silver-using countries. Mr. Conant is confident that the Mexican Government will establish a fixed exchange standard for Mexico which will continue the large use of silver coins and provide for keeping them at par with gold by means of Government control of the quantity and a gold exchange fund in the leading financial centres. If this can be accomplished, there seems no reason to doubt that Mexico will enter upon a new and still larger era of prosperity than any yet enjoyed under the administration of President Diaz, for the continued influx of American and other foreign capital so essential to the country's development will thereby be encouraged and enlarged.

**PROPOSED ANGLO-FRENCH ARBITRATION TREATY—BRITISH COTTON-GROWING ASSOCIATION CUBAN RECIPROCITY TREATY—INTERNATIONAL TELEGRAPH CONVENTION—FIFTH CONGRESS OF BRITISH CHAMBERS OF COMMERCE AT MONTREAL—BRITISH IRON AND STEEL MARKETS—MANCHESTER COTTON GOODS MARKET.\***

MANCHESTER, March 18.

During the last eighteen months there has been growing up on both sides of the English Channel, unobtrusively and with little public observation, a movement which is not unlikely to affect profoundly the political relations of France and the United Kingdom. In September, 1901, the Association of British Chambers of Commerce held its autumnal meeting in Paris, by invitation of the British Chamber in that city. The cordiality and friendliness with which the delegates were received by French statesmen, men of business, and others, made a deep impression upon the minds of the visitors, and the whole incident was eminently gratifying to the chief hosts, the members of the British Chamber. Their President, Mr. Thomas Barclay, an English lawyer settled in Paris, soon afterwards sought to turn it to good account by starting the project of a permanent general treaty for the adjustment of difficulties between Great Britain and France. First of all he tried to sound the disposition of representative mercantile and industrial opinion in France, and succeeded in obtaining the unqualified adhesion of a large number of commercial chambers, of workmen's associations and of recognized economic and political authorities, as well as of municipal bodies and influential organs of the press.

In September 1901 Mr. Barclay brought the subject before the meeting of the Association of Chambers of Commerce at Nottingham, when a resolution was unanimously adopted pledging the Association to

support the movement, "in view of the immeasurable advantages which would accrue to the commercial relations of the two countries" by the conclusion of such a treaty. Since then the proposal has secured many adherents, public and private, in the United Kingdom, including Lord Alverstone, the Lord Chief Justice of England, many members of Parliament, several professors of law at Oxford, Cambridge, Edinburgh, Dublin and London, Professor W. C. H. Lacey, Lord Charles Beresford, Lord Brassey, Mr. Carnegie and others. The Manchester Chamber of Commerce has just brought the matter officially under the notice of Lord Lansdowne, the Secretary of State for Foreign Affairs, in a letter which, after referring to the amount of influential support which the project has received in France and in the British Isles, expresses the opinion that the commendation thus received is sufficiently impressive to warrant the hope that some practical steps may shortly be taken toward the realization of the proposal. There is very good reason to be assured that this has already gained the warm sympathy not only of Lord Lansdowne but also of M. Delcasse, the French Minister for Foreign Affairs.

It is suggested that the Treaty of Arbitration between Great Britain and the United States, signed at Washington by Mr. Olney and Sir Julian Pauncefote on 11th January 1897, and still awaiting the approval of the Senate, should be taken as the model of the proposed convention. Let it not be supposed that the war of words between certain influential newspapers in Germany and England which has been going on for some time past, nor the smouldering fire which underlies so much smoke, has anything to do with this movement. It is the symptom and sign of a genuine and independent aspiration widely shared, especially amongst business people, on both sides of the "streak of silver sea." If it should be successful, who can tell how important and far reaching its influence and example may be.

The British Cotton Growing Association, founded in June 1902 in Manchester, is giving promise of fruitful results before long. It is not a profit-making body, its funds being intended to assist and encourage the production of the staple in new fields, but primarily within the British dominions. Its subscribed fund amounts to upwards of £25,000, to be paid in instalments extending over five years, and it is steadily increasing. Lancashire has become somewhat alarmed by the diminishing proportion of the American crop available for Europe, and by the prospect of an insufficient supply of Egyptian and other long staples. During the last three seasons English spinners have had to run their mills short-time during a portion of the summer, and they foresee the probability of still more serious scarcity in coming years, unless vigorous and successful efforts are made to extend the sources of supply. The first efforts of the Association are being directed to the British colonies in West Africa. Four experts have been engaged who have had experience in growing cotton in the Southern States. One of these has gone to the Gambia, and has already been heard from; the others respectively to Sierra Leone, Lagos and Southern Nigeria. These will be occupied in teaching and superintending the natives in cultivating, ginning and packing the cotton, and in reporting to the Association as to the requirements and progress of the enterprises under their charge. The governors of these

\*Communicated by our Special Correspondent in Manchester.

colonies are taking a lively and intelligent interest in the work, and are aiding it by contributing to the cost of the experts and by promising to carry, freight-free, all cotton brought down to the coast by the Government railways. Besides a number of gins and presses the Association has sent out to these colonies 500 sacks of cotton seed, American and Egyptian, and more is going forward. At Lagos 4,000 acres were put under cotton in August or September of last year and the crop grown thereon is now being ginned.

But efforts are being made to promote the extended growth of cotton in other parts of Africa. In the Egyptian Soudan the prospect is highly encouraging. A few months ago Count Gleichen, the Secretary to the Sirdar, was in Manchester, and gave a glowing account of the extent of fertile land, the abundance of irrigation facilities and the sufficiency of labor. A member of the Association who knows Upper Egypt well is at present there making further inquiries, and is discussing with the Soudan Government the question of largely increasing the cultivation of long-stapled cotton in that region. But East Africa, Uganda, Central Africa and the British West Indies are also being brought within the scope of the Association's influence and operations. It is, perhaps, not unreasonable to look for some substantial results from these labors within the next two years.

Not many questions of general interest were discussed at the annual meeting of the Association of Chambers of Commerce held in London during the first week of the present month. The pending reciprocity treaty between the United States and Cuba gave opportunity for the expression of some forcible, though quite temperate, expressions of disappointment because of the exclusive nature of the Cuban tariff modifications in favor of American productions. English merchants and manufacturers engaged in the Cuban trade have watched the course of this treaty very attentively for a long time past. Their chief contention is that there is an obvious inconsistency in requiring an exclusive arrangement which prevents Cuba from agreeing to "most-favored-nation treatment" to the merchandise of European countries and contending at the same time for the open door in China. English trade with Cuba in manufactures, rice and some other articles is a very old one, and the merchants who for generations have been engaged in it are naturally much disturbed at the prospect of losing it. They declare with some emphasis that they want no favors or privileges, but only that equality of opportunity which all nations have been earnestly claiming in Eastern Asia.

A further subject of international importance which engaged the attention of the London meeting was the threatened early enforcement of the official vocabulary for code telegraphic messages. This matter is of especial interest to both American and British merchants engaged in trade with Asia. It is now more than 13 years since the International Telegraphic Convention proposed to restrict the liberty—then and still existing—of employing any words complying with regulations in force for code telegraphic purposes. At each of the subsequent quadrennial conventions the determination to impose a limited vocabulary has been reaffirmed, and the permanent international office at Berne has been engaged in compiling one. An edition issued about five years ago was so ludicrously defective and erroneous that it was with-

drawn, and the office has since prepared a very much more extensive, though still in some respects erroneous and limited, vocabulary. The next meeting of the convention is to take place in London at the end of May. The Association of Chambers, in view of the approaching assembly of the international delegates, passed a strong resolution affirming once more that the imposition of a compulsory vocabulary will prove injurious alike to users of code telegraphy and to the cable companies. The British Government was therefore urged to instruct its delegates to oppose any ordinance limiting the choice of words to those contained in the vocabulary. Some Manchester merchants trading with India, who spend many thousands of pounds annually in daily messages to and from their establishments in the Indian ports, though naturally opposed to the heavy expense and trouble of re-casting and re-printing their codes, are quite confident that they will be able to devise new methods of economy if the threatened compulsion be carried out, and to reduce the cost of their telegraphic correspondence with corresponding loss to the cable companies. It remains to be seen, however, whether the convention will deem it wise to insist upon a restrictive regulation which for thirteen years it has been holding over the heads of the merchants.

The Fifth Congress of Chambers of Commerce of the Empire is to be held at Montreal on August 17th to 20th next. Previously these assemblies took place in London—in 1888, 1892, 1896 and 1900. There can be no doubt as to the warmth of the invitation from Canada in response to which the next Congress will meet in the commercial capital of the Dominion. It has been cordially accepted by most of the principal Chambers in the United Kingdom. The Manchester Chamber will send three representatives, of whom Sir W. H. Holland, M. P., a former President of that body, will be one. The programme of the proceedings has not yet been drawn up, but it is pretty certain that the question of an Imperial Customs Union or some arrangement of this nature will be a prominent feature in the discussions. In 1896 and in 1900 the Canadian representatives were conspicuously earnest in advocating a commercial arrangement under which each political unit in the Empire would continue to control its own Customs policy as hitherto, but with the reservation that differential rates of duty should be imposed upon competing products from other countries. The scheme is well known and it need not be further described. In 1896 it was rather warmly commended by Mr. Chamberlain, but he has not said much about it in recent years. On both occasions it was practically declined by the Congress, although a few voices were raised in its favor, even by English representatives. It involves, of course, the whole question of Free Trade. Great Britain could not enter into an arrangement of this kind without abandoning the theory and practice of Free Trade, to which she has adhered for nearly sixty years. The discussion of this question on Canadian soil must obviously, under these circumstances, be exceedingly interesting. The attitude of the British delegates—that is to say, those from the United Kingdom—will be, with hardly an exception, in favor of free trade, but some may be expected to acknowledge that, whilst they are convinced of its economic advantage if it were universally adopted, they are beginning to grow weary of its maintenance by one country alone among the great nations. On the other hand it will be held,

in the language of Sir Robert Peel, spoken in 1846, that whatever course other nations might pursue, it was not just nor economically advantageous from the personal or the national point of view to deny to British citizens the right to purchase whatever they might need, wherever it was produced, free from unequal restrictions. That declaration leaves every government at liberty to impose whatever Customs duty it may consider necessary, provided that it be counterbalanced by an equivalent excise duty. That principle has been deeply engraved on the minds of the British people, and there can be no doubt that it will be earnestly enforced at the coming congress at Montreal. It applies obviously, if true at all, to the British Empire as a whole, and unless the Canadian and a few other colonial representatives refuse to acknowledge it, there can be little doubt that the scheme of a British Imperial Customs arrangement based upon protection will be rejected by a substantial majority.

Continued improvement is the characteristic note of the reports from the iron and steel markets, not only of Great Britain but also of the European Continent. Telegraphic reports from Berlin indicate a large excess of sales of billet steel over the producing capacity during the current half-year, and the suspension of sales for export has been ordered by the syndicate. In Great Britain also an important change has occurred during the last fortnight or three weeks. The prices of pig-iron have risen in all districts, but particularly at Middlesborough, under the influence partly of export demand, but also of English consumers, who are beginning to be convinced that the supply is threatening to fall below the rate of consumption. The latest return of British blast furnaces working—that for the end of February—shows that the number was 338, against 327 at the end of January, and only 330 at the end of February last year. It must be observed, however, that the producing capacity of English and Scotch blast furnaces is being steadily increased. This process is still going on, and a fair number of them is being reconstructed on modern lines, in some instances under the direction of American specialists. Generally, indeed, it may be said that British producers of pig-iron, in Cleveland on the English West Coast and in Scotland, are steadily preparing themselves to meet what they regard as the certain, though possibly distant, competition of America. To consumers of raw iron in the United Kingdom the recent steadily upward tendency of prices is not generally welcome. Many of them find great difficulty in raising the prices of their products sufficiently to cover the increased cost of production. Still, the upward movement continues, the main support being derived, as a decisive factor, from the demand from the United States; the sustained avidity of the requirements for iron and steel there being the subject of great surprise to many people on this side who are engaged in the iron and steel trades, and who have for some time been expecting a decisive cessation of it. Pessimist views as to the continuance of American prosperity, though rather widely entertained on this side, are by no means general, and many careful observers, who are quite cognizant of all the conditions bearing upon the question, are disposed to think that there is at present no distinct indication of an arrest of it for at least a year to come, unless, indeed, the harvests of this year should prove seriously deficient.

The Manchester market for cotton goods and yarns has reached a halting point within the last few days. Spinners and manufacturers are on the whole fairly well supplied with orders for some weeks to come, but these have been secured largely at prices based upon lower prices for cotton than those now current. At present quotations the demand is quite small. The prevailing opinion appears to be that speculation has forced up prices of the raw material too high, and that merchants who have to look several months forward for the realization of advanced rates should follow the upward movement very cautiously. The intelligence as to the planting of the next American crop and its future fortune will, of course, be attentively observed, but for the moment the prevailing disposition amongst buyers of cotton manufactures is to purchase sparingly at current rates.

#### LIABILITY IN NEW JERSEY FOR PAYMENT OF UNEARNED DIVIDENDS.

A decision rendered a short time ago by the New Jersey Court of Errors and Appeals in the case against the American Malting Company establishes three important principles of law. Our readers are pretty familiar with the allegations that have been made against the directors of the American Malting Company. The bill seeks to compel these directors, who held office from the time of the organization of the company in September 1897 up to and including the year 1899, to pay back into the treasury of company certain dividends paid out by them but which it is averred were not earned. The 30th Section of the Corporation Act of New Jersey forbids the payment of dividends except from the surplus or net profits arising from a company's business, and provides that in the event of a violation of this provision the directors, under whose administration the offense may be committed, shall be jointly and severally liable, at any time within six years, for the full amount of the dividend, with interest from the time the liability accrued.

Under the provisions of the section referred to Aaron Appleton and William M. Bennett as stockholders began suit in March 1901 against the directors of the American Malting Company, claiming that unearned dividends had been paid, and seeking to compel the restitution to the company of the amounts so paid out. The bill was filed by the complainants, not in assertion of any individual right, but on behalf of the company. Each of the directors filed a demurrer to the bill, and upon the hearing in the court below a decree was entered sustaining the demurrers and dismissing the bill. Appeal was taken and the Court of Errors and Appeals has now reversed the decision. The Vice-Chancellor who heard the case in the lower court considered that if the statute fixed the liability upon the directors without regard to the financial condition or needs of the corporation, then it was highly penal in its character, and that for this reason a court of equity should refuse to entertain a suit for its enforcement. The Court of Errors and Appeals, however, takes a different view and holds that the liability imposed by the statute is not penal in its character. Its sole purpose is not to punish, but to provide for the making of compensation by wrongdoers for the injury sustained by their wrongful act.

The Court of Errors likewise decides two other important points of law raised in the pleadings. A

certain peculiarity of punctuation appears in one of the clauses in Section 30 of the Corporation Act already referred to. While it is provided that the offending directors shall be jointly and severally liable at any time within six years after the payment of the unearned dividends, it is declared that the liability is to be—"to the corporation and to its creditors, in the event of its dissolution or insolvency." The contention had been made on behalf of the directors, and had been sustained by the Court of Chancery, that the remedy provided by the statute is solely for the benefit of creditors, and that it could only be availed of in case of the insolvency of the corporation. The argument urged in support of this view was that the insertion of a comma after the word "creditors" showed clearly that this was intended by the legislator to be a winding-up provision creating a fund for the payment of debts.

The Court of Errors and Appeals declares that punctuation, although usually considered in discovering the purpose of a statute, is never decisive in determining it. On the contrary, it will be entirely disregarded if it be necessary to do so in order to arrive at the real meaning and intent of the lawmakers. The Court could not perceive how the statute is to be limited in its scope so as to impose liability only so far as it might be necessary to provide a fund for the payment of debts. The liability is created, the Court says, for the benefit of the corporation as well as its creditors. It arises in case of dissolution or insolvency, that is where there is a voluntary winding up of a solvent corporation, as well as when the corporation is wound up in invitum on account of insolvency. "If punctuation is to govern in the construction of this statutory provision, therefore, the situation is this. Although the directors are answerable to the corporation for the injury inflicted upon it by the impairment of its capital, yet the corporation cannot compel them to make good the loss which it has sustained by their illegal act, unless it elects to abandon its business and go into liquidation. A construction which imputes to the Legislature the intent to force a solvent corporation into liquidation as a condition of enabling it to recover from its directors the money necessary to make good the impairment of its capital by them should not be adopted unless such intent is manifest."

Considering the words of the Act rather than the punctuation, the intention of the Legislature is seen to be the reverse of that contended for by the demurrants. The apparent object of the provision is to afford protection equally to the corporation and to its creditors against loss by reason of the illegal act. The creditors can suffer no injury from it unless the capital is so impaired as to render the company insolvent. Not so with the corporation. Any impairment of its capital is harmful to it in some degree; the seriousness of the injury depending upon the extent of the impairment. For the full protection of the company the liability of the directors must be absolute; no liability on the part of the directors is required for the full protection of creditors, except in case of the insolvency of the corporation, or possibly in the event of its voluntary liquidation. "The words of the statute" say that "for disobedience of its mandate 'the directors shall be jointly and severally liable to the corporation—and to its creditors in the event of its dissolution or insolvency'; to the corporation in any event, to the creditors in the event expressed in

the statute. In our judgment the Legislature intended, by this provision, to afford the full measure of protection which the words provide."

Another question decided was as to whether stockholders could maintain suit under the provisions of Section 30 without first making demand upon the directors to bring the action. The Court says that the statement that a majority of the present board of directors were, and are, among the persons against whom relief is sought by the bill, discloses a situation which relieved the complainants from the duty of applying to them to bring suit in the name of the corporation. It is a settled rule in New Jersey that such application need not be made when the interest, or bias, of the directors makes it certain that if the application were made it would be denied, or if granted that the litigation following would necessarily be under the direction of persons opposed to its success. "The complainants do not bring the suit to establish any right of their own, or because they are personally entitled to the relief sought. They are permitted to sue *ex necessitate rei*, because the interests of those in control of the corporation are hostile to the interests of the corporation itself. On the record the corporation is a party defendant, yet in reality the complainants represent it. Except in name, the suit is an action brought by the corporation; it is maintained solely for its benefit, and the final relief, when obtained, belongs to it and not to the complainants."

It had been argued on behalf of the directors that to construe the statute so that it would require the directors to pay into the treasury of the corporation, for the benefit of the stockholders, the amount of the deficit, although the stockholders have in their pockets the portion of the capital which has been withdrawn would be grossly unjust and inequitable. This argument, the Court says, assumes that there will be no transfer of the stock of the company during the period of the liability of the directors. "The assumption is unwarranted. The very declaration of the dividend, evidencing, as it does, the apparent prosperity of the company, creates a desire on the part of outsiders to become holders of the stock. It, at the same time, decreases the actual, while increasing the apparent, value of the stock. The result is to afford unscrupulous directors and stockholders who are cognizant of the illegal action of the board an opportunity to unload their holdings upon innocent purchasers at fraudulently inflated prices. It is eminently just that the persons whose wrongful act has caused loss to those who have been induced by it to become stockholders should make good that loss. Nor is it inequitable that stockholders who have innocently participated in the distribution of the illegal dividends should have their stock restored to its normal value by contribution from the directors who have impaired the capital, without being first required to pay back the dividend so paid to them. The ordinary purchaser of corporate stock holds it as an investment. He rightly considers and treats the dividends paid upon it as income. In many instances the income is required to meet the expenses of living, and is entirely expended for that purpose. To say that a person who has been unwittingly induced to exhaust his principal by the mistaken or fraudulent representation, of those to whom he has entrusted it, that what has been paid to him is income suffers no injury, is absurd. To refuse him redress

except upon condition that he return the moneys which he has expended in the belief that his capital was intact—notwithstanding that by such expenditure he is rendered penniless—is to put a premium upon fraud in corporate management.”

The foregoing determines the points of law that must govern in the decision of the suit. Thus far the case has only been heard on the demurrer to the bill of complaint. With the reversal of the decree of the lower court the case goes back for a determination of the facts involved, and for the trial of the case on its merits.

#### ITEMS ABOUT BANKS BANKERS AND TRUST CO'S

—The auction sales of bank stocks this week aggregate 896 shares. The transactions in trust company stocks reach a total of 43 shares. No sales of either class have been made at the Stock Exchange. Twenty shares of Trust Co. of the Republic stock were sold at 85—a loss of 24 points from the price paid last week. The first public sale of Greenwich National Bank stock, since the bank's capital and surplus were increased by \$300,000 each, was made this week at 824.

Share.	BANKS—New York.	Price.	Last previous sale.
25	Citizens' Bank, National.....	184 1/4-184 1/2	Jan. 1903—192
25	Greenwich Bank.....	1324	Aug. 1902—400
100	Hanover National Bank.....	823-824 1/2	Mar. 1903—635
100	Manhattan Co., Bank of the.....	330	Mar. 1903—338
75	Western Nat. Bank of the U. S.	390	Mar. 1903—390
TRUST COMPANIES—New York.			
1	Central Realty Bond & Tr. Co.	551	Mar. 1903—600
10	Eastern Trust Co.....	151	Nov. 1902—191
20	Republic Trust Co. of the.....	85	Mar. 1903—109
12	United States Trust Co.....	1671-1672	Mar. 1903—1701

† New stock.

—The Equitable Trust Company of this city has gathered a few of the wise sayings of old Benjamin Franklin, and has printed them, with applications of its own, in an edition of 1,000, of which only a thousand copies are printed, and duly numbered by hand. This is the title page: “The Way to Wealth: A Reprint of Some Wise Saws and Homely Proverbs from an Essay Called ‘The Way to Wealth,’ by Benjamin Franklin, and Which First Appeared in ‘Poor Richard’s Almanack.’ Originally Published by B. F. at Philadelphia, in the year 1732, under the Nom de Plume of Richard Saunders. In Addition to Which There Are Some Notes by the Editor.”

Several of these famous and inimitable wise saws are used as heads of as many pages. They are very dry and musty, as ancient truths which are true in all generations are apt to be. Take one extract as a reminder: “‘Always taking out of the meal-tub and never putting in soon comes to the bottom,’ and then ‘When the well is dry they know the worth of water,’ ‘If you would know the value of money go and try to borrow some, for he that goes a borrowing goes a sorrowing,’ as Poor Richard says; and indeed so does he that lends to such people, when he goes to get it again.”

The Editor's notes appended are excellent and pithy, although less antique and quaint. For a sample: “The man that goes about with nothing on his mind but his hat is likely to have nothing to his name but his debts.” Also, “Work never killed anybody, but worry and dissipation have big graveyards.” The moral of the little book is that people should be thrifty and saving and should keep bank accounts; also that the Equitable Trust is a ready and excellent depository. This is a legitimate deduction, and the tiny volume is a clever adaptation for an advertising purpose.

—By the passage of a new law in Pennsylvania on March 6th last, banks, trust companies, brokers and others in that State are not limited as to the amount of interest they may charge on demand loans exceeding \$5,000. Formerly not more than 6 per cent on such loans was permissible under the law. We give below the wording of the law:

“Be it enacted, That in any case hereafter, in which advances of money, repayable on demand, to an amount not less than \$5,000, are made upon warehouse receipts, bills of lading, certificates of stock, certificates of deposit, bills of exchange, bonds or other negotiable instruments, pledged as collateral security for such repayment, it shall be lawful to receive, or to contract to receive, and collect, as compensation for making such advances, any sum to be agreed upon, in writing, by the parties to such transaction.”

—Next Friday (Good Friday) and Saturday will be holidays on the New York Stock Exchange, the Governors having decided to close the Exchange on these days.

—The National City Bank of this city has arranged to make extensive alterations by enlarging its four-story building at 53 Wall St. A fifth story is to be added and the interior of the building remodeled. It is hoped the improvements contemplated will provide its large working force with sufficient accommodation until the National City can locate on the old Custom House site. As is known, the latter property (which was purchased by the bank) will continue to be occupied by the Government while the new Custom House is building.

—The Bankers' Trust Company of this city opened its offices at 143 Liberty St. on Monday. The capital is \$1,000,000 and the surplus \$500,000, both fully paid in. The most striking feature of the company's organization is its notable board of directors, which is composed of prominent bank officials of New York and other large cities. The board now numbers twenty-one members, of whom sixteen represent leading institutions of this city. The officers are: President, Mr. E. C. Converse (President of the Liberty National Bank of this city); Vice-President, Mr. J. F. Thompson (formerly Cashier of the Seaboard National Bank of this City); Secretary and Treasurer, Mr. T. W. Lamont; Assistant Secretary, Mr. L. H. McCall, and Assistant Treasurer, Mr. D. E. Pomeroy.

—The stockholders of the New York National Exchange Bank of this city on Tuesday approved the recommendation of the directors to increase the capital from \$500,000 to \$1,000,000. The bank will put out 5,000 shares, which it will dispose of at \$200 per \$100 share, netting a total of \$1,000,000. The stock will be entirely paid in by July 31, payments having been arranged as follows: 25 per cent on or before April 30, 25 per cent on or before May 31, 25 per cent on or before June 30 and 25 per cent on or before July 31.

—A change in the composition of the old New York Stock Exchange firm of Prince & Whitely is announced. James Whitely, the former senior, has become a special partner and William A. Jennings has become a general partner. The firm now consists of H. Cruger Oakley, Maynard C. Eyre, Charles C. Harrison, William A. Jennings, with Mr. Whitely as special. Mr. Oakley is the board member.

—George J. Weaver and James M. Halsted have entered the firm of B. L. Smyth & Co., which is now composed of Sidney L. Smyth, Frank L. Dunnell and Messrs. Weaver and Halsted. The firm now has two board members.

—The report that the Royal Bank of Canada is negotiating for the absorption of certain Cuban banks and that there is a possibility of American control of the Royal Bank is officially denied. The bank now has a Cuban branch which is sufficient for its purposes, and the controlling interests remain the same as in the past. A block of 5,000 shares of the Bank's stock was purchased some time ago by Americans for investment which probably gave rise to the reports in the daily papers.

—Wilson, Watson & Herbert moved during the week from 6 Wall Street to offices in the Hanover Bank Building, corner Nassau and Pine streets. The firm is composed of Theodore Wilson, George H. Watson Jr. and William Herbert, two of the partners being members of the New York Stock Exchange. To Mr. Herbert this change is a return to old quarters, he having been associated with the firm of Macy Bros. & Herbert, who were located in the old building at 11 Pine St., from April 1895 to September 1900, the date of the formation of the present firm.

—Plans have been approved by the directors of the Citizens' Savings & Trust Company and the American Trust Company, both of Cleveland, for the consolidation of the two institutions. The matter will be submitted to the stockholders of the companies at meetings to be held on the 13th inst. The Citizens' Savings & Trust was formed but two months ago by the consolidation of the Citizens' Savings & Loan Association and the Savings & Trust Company. It has a capital of \$3,000,000, and if the present plans carry, its stockholders will receive that amount of \$4,000,000 capital which the new company will have. The stockholders of the American Trust Company, whose capital is \$500,000, will be allotted \$600,000 of the new shares, while \$400,000 will be held in the treasury. Mr. H. R. Newcomb, President of the Citizens' Savings & Trust Company, will continue in that capacity with the enlarged company. There are to be four Vice-Presidents, D. Z. Norton, W. G. Mather (President of the American Trust Company), D. Leuty and H. B. Corner

The Secretary will be Mr. J. R. Nutt of the Citizens' Savings & Trust, and the Treasurer Mr. Edwin V. Hale, now Secretary and Treasurer of the American Trust. Mr. J. H. Wade will be Chairman of the board.

—The New York Senate on Tuesday failed to pass the Hammond Bill, by which the number of directors of the Knickerbocker Trust Company of this city was to be increased from twenty-five to thirty-five members. Twenty-three Senators voted for the bill and fourteen opposed it. Twenty-six were necessary for its passage.

—The Mount Vernon Trust Company, Mount Vernon, N. Y., is now open for the transaction of business. The combined capital and surplus are \$400,000. The officers are: A. M. Campbell, President; A. A. Lisman, Vice-President; Jesse Lantz, Second Vice-President; Daniel M. Hopping, Secretary and Treasurer. The bank's by-laws have been very carefully prepared by Messrs. Wallach & Cook, and in the belief that they will be of use to other companies in this State they have been printed and bound in a pamphlet containing also a copy of the laws of New York State relating to trust companies. This pamphlet can be had from the company or from the Vice-President, A. A. Lisman, at No. 25 Broad Street, New York City.

—Mr. James E. Hulshizer, President of the New Jersey Title Guarantee & Trust Company of Jersey City, finding that the meetings of the officers of the New Jersey Bankers' Association were at times inconvenient to attend, has resigned as a member of the executive committee of that association. Mr. William C. Heppenheimer, President of the Trust Company of New Jersey at Hoboken, has been appointed to fill the vacancy. A session to be attended by all the members throughout the State is being planned, to be held at Atlantic City some time in June.

—At a directors' meeting on the 26th ult. it was decided to increase the authorized capital of the North American Savings Company of Pittsburgh from \$700,000 to \$1,000,000. The stockholders on Dec. 4 last voted to enlarge the capital from \$350,000 to \$700,000, but this latter amount has not yet been paid in. The new shares are to be sold at \$150 per share, which is \$50 more per share than that fixed for the stock issued in December. The par value is \$50. Present shareholders may subscribe to the new stock, which is to be issued in May, at the rate of 4/385 of a share for each share now held. As announced in these columns last week, the company recently secured control of the Fort Pitt National Bank of Pittsburgh, which it will operate as a separate institution.

—Control of the Iron City National Bank of Pittsburgh has passed to a syndicate, which has also obtained control of the Guarantee Title & Trust Company of Pittsburgh. Negotiations with the Iron City National had been under way for some weeks, and were conducted by the German-American Savings & Trust Company. Mr. Joseph R. Paull, Cashier of the City Deposit Bank of Pittsburgh, was last week elected President of the Iron City National to succeed Mr. George F. Wright, who has been made Vice-President. The Guarantee Title & Trust Company, which has heretofore confined itself to a title business, although having a full trust company charter, will shortly establish a trust department, for which purpose it will open offices in the same building with the Iron City National. The title business will be continued in the present quarters in the Frick Building. The company will increase its capital from \$350,000 to \$750,000, having called a meeting of the stockholders for April 7 (Tuesday) to vote on the proposition.

—The stockholders of the Iron City Trust Company of Pittsburgh met on Wednesday to take action on the proposition to increase the capital from \$1,000,000 to \$2,000,000, but adjourned the meeting until April 9. The stock will be put out, it is stated, at not less than \$150 per share.

—On March 20 the stockholders of the German National Bank of Pittsburgh authorized an increase in the capital from \$250,000 to \$500,000. The bank will sell the stock so as to realize a premium of \$875,000—that is, at \$350 per share. Payments will be made in three instalments—May 1, July 1 and September 1.

—The Fairmount Savings Bank Company of Cleveland, capital \$25,000, has been taken over by the Cleveland Trust Company. The latter acquired in December last the Windermere Savings & Banking Company of Cleveland, and in January was consolidated with the Western Reserve Trust Co.

—Mr. Herbert N. Morrill is to be the Cashier of the new Commercial & Savings Bank of Grand Rapids, Mich., when that institution opens its doors, which will very likely be in about a month. Mr. Morrill has been Paying Teller and Assistant Cashier of the State Bank of Michigan at Grand Rapids.

—The Chicago brokerage firm of A. D. Nast & Company will, about April 10th, remove their offices from the New York Life Insurance Building to the ground floor Nos. 183 and 185 La Salle street. Nast & Co. are members of the New York Stock Exchange as well as of the Chicago Exchange and the Board of Trade.

—J. Arnold Scudder & Company, Chicago dealers in municipal and corporation bonds, have removed their offices from the Western Union Telegraph Building to the Royal Insurance Company's Building on Jackson Boulevard.

—Mr. G. E. MacKinnon has resigned as Cashier of the Central State Bank of Des Moines, Iowa, his resignation becoming effective on June 1. Mr. MacKinnon, who will continue as a stockholder in the bank, is to become Treasurer of the Waterloo & Cedar Falls Union Mill Company, the headquarters of which are in Cedar Falls.

—The Comptroller on the 23rd ult. issued a certificate to the Continental National Bank of Denver, authorizing a change in name to the Capitol National Bank. The change was deemed advisable by the officials owing to the similarity between the name of the bank and the Continental Trust Company, both of which have offices in the same building. The change went into effect on March 1. In every other respect the organization of the bank remains as before.

—The Third National Bank of St. Louis, Mo., anticipating a large attendance of Japanese visitors at the World's Fair, is to become the correspondent of the Yokohama Specie Bank of Yokohama, so that strangers from Japan will experience no difficulty in cashing drafts in St. Louis and the surrounding territory. The foreign bank has two American branches, one in New York City and the other in San Francisco.

—The National Bank of St. Joseph, St. Joseph, Mo., will in May next celebrate its 30th anniversary by moving into its handsome new building. The structure ranks among the finest in the country devoted solely to banking purposes. It has a frontage of 120 feet on Felix Street and 60 feet on Fourth Street, and is built entirely of buff Bedford stone and granite. The architecture is an adaptation of the Roman Doric, and the building presents an imposing appearance. Special mention ought to be made of the main banking room, which is elegance itself. The walls are of green marble, divided into large panels, with ornamental arches above. The fixtures are also of green marble and solid bronze. Throughout the building the woodwork is of the finest selected mahogany and all the decorations are in oil paint.

The National Bank of St. Joseph has now deposits of nearly \$5,000,000, being, it is claimed, the largest line of deposits of any bank in the United States with a capital of only \$100,000. The officials consist of Mr. L. C. Burnes, President, Messrs. Huston Wyeth and James N. Burnes, Vice-Presidents, and Mr. E. D. McAllister, Cashier.

—The name of the Island City Savings Bank of Galveston, Texas, is to be changed to the Texas Bank & Trust Company. The bank came under the control of the estate of H. Kempner in August last, at which time Mr. I. H. Kempner was made President. The stockholders have also authorized an increase in the capital and surplus, so that the amount of each will be \$200,000 (or \$400,000 combined) instead of \$100,000 each, as at present. The Constitution of the State of Texas prohibits trust companies from receiving deposits. The charter of the Island City Savings Bank, however, was issued in 1874, before the constitutional prohibition went into effect, and gives the right to do a general banking, savings bank and trust company business and to engage in business anywhere and everywhere in the State of Texas. The bank is now preparing to open a co-ordinate office in Houston within the next few months. The entire issue of new stock has been practically placed at \$300 per share and control will be held by a representative of a New York trust company and President Kempner. The change in name will in no way affect the character of the business or its management.







## Bankers' Gazette.

For Dividends see page 734.

WALL STREET, FRIDAY, APR. 3, 1903.—3 P. M.

**The Money Market and Financial Situation.**—The tension in the money market and the complications connected with the pool operations in Southern Pacific stock have been unfavorable influences this week. Neither of these, however, represents enduring conditions.

As bearing on the future of values, perhaps more importance attaches to the greatly increased operating cost disclosed in the current returns of the railroads. While gross receipts of our transportation lines continue to show exceptionally large gains, the statements received this week for February have in an unusual number of cases indicated losses in net. It accordingly becomes obvious that the roads will soon be obliged to refuse making further concessions in the shape of shorter hours and increased pay.

The open market rates for call loans on the Stock Exchange during the week on stock and bond collaterals have ranged from 5½ to 15 per cent. To-day's rates on call were 8 to 9 per cent. Prime commercial paper quoted at 5½ to 6 per cent.

The Bank of England weekly statement on Thursday showed a decrease in bullion of £1,484,339, and the percentage of reserve to liabilities was 49.73, against 47.32 last week, the discount rate remaining unchanged at 4 per cent. The Bank of France shows a decrease of 12,900,000 francs in gold and 575,000 francs in silver.

## NEW YORK CITY CLEARING-HOUSE BANKS.

	1903 Mar. 28	Differences from previous week	1902 Mar. 29	1901 Mar. 30
Capital.....	110,322,700	\$	83,622,700	75,022,700
Surplus.....	122,764,400		103,658,700	92,365,000
Loans & discounts.....	904,599,200	Dec 6,948,200	904,074,500	916,889,900
Circulation.....	42,900,900	Inc 37,300	31,423,100	31,036,000
Net deposits.....	*824,280,000	Dec 6,422,400	985,353,800	1,004,283,200
Specie.....	168,461,500	Dec 131,000	177,889,700	180,870,900
Legal tenders.....	66,594,400	Inc 1,625,900	70,921,300	72,370,600
Reserve held.....	279,845,900	Inc 1,494,900	248,303,900	258,941,300
\$5 p. c. of deposits.....	223,565,000	Dec 1,605,600	241,338,325	251,070,800
Surplus reserve.....	4,280,900	Inc 3,100,500	6,965,875	7,870,500

\*\$40,190,000 United States deposits included, against \$40,228,400 last week. With these United States deposits eliminated, the surplus reserve would be \$16,328,400 on Mar. 28 and \$13,237,800 on March 31.

NOTE.—Returns of separate banks appear on the preceding page.

**Foreign Exchange.**—The foreign exchange market has been extremely dull this week and without special feature; tone firm, notwithstanding high local rates for money.

To-day's (Friday's) nominal rates for sterling exchange were 4 64½ for sixty day and 4 8½ for sight. To-day's (Friday's) actual rates for sterling exchange were 4 8770@4 8890 for long, 4 8690@4 87 for short and 4 8750@4 8760 for cables. Commercial on banks, 4 83½@3 83½, and documents for payment, 4 82½@4 83½. Cotton for payment, 4 82½@4 82½; cotton for acceptance, 4 83½@4 83½ and grain for payment, 4 83½@4 83½.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 19½@5 18½\* for long and 5 16½@5 16¼ for short. Germany bankers' marks, 94½@94 11-16 for long and 95@95 1-16 for short. Amsterdam bankers' guilders, 39½@39½ for long and 40 1-16\*\*@40¼\* for short.

Exchange at Paris on London to-day, 25 f. 17½ c.; week's range, 25 f. 17½ c. high and 25 f. 17 c. low.

The week's range, including Saturday, follows:

	Long	Short	Cables
High.....	4 8375 @ 4 8385	4 87 @ 4 8710	4 8760 @ 4 8770
Low.....	4 8370 @ 4 8380	4 8690 @ 4 87	4 8750 @ 4 8760

	Long	Short	Cables
High.....	5 19½ @ 5 19½*	5 16½ @ 5 16½*	
Low.....	5 19½ @ 5 19½*	5 16½ @ 5 16½*	

	Long	Short	Cables
High.....	94½ @ 94½	95 @ 95½	
Low.....	94½ @ 94½	95 @ 95½	

	Long	Short	Cables
High.....	39½ @ 39½	40½ @ 40½	
Low.....	39½ @ 39½	40½ @ 40½	

Low: \*1/16 of 1% 1/16 of 1% 1/16 of 1%. Plus: 1/16 of 1% 1/16 of 1% 1/16 of 1%.

The following were the rates of domestic exchange on New York at the under-mentioned cities to-day: Savannah, buying 50c. discount, selling 75c. premium; Charleston, buying par, selling 1-10 premium; New Orleans, bank, \$1 premium, commercial, 25c. discount; Chicago, 20c. premium; St. Louis, 25c. premium; San Francisco, 12½c. per \$100 premium.

**State and Railroad Bonds.**—Sales of State bonds on the Exchange this week are limited to \$5,000 Virginia 6s deferred Brown Bros. certificates at 8½. The railroad bond market, like the stock market, has displayed considerable irregularity. Wabash issues were depressed; the debenture 8s, after an advance on Saturday to 76, declined steadily, and to-day touched 70½, the last sale being 71½. Prices of Chicago Rock Island & Pacific R.R. 4s and Union Pacific issues were well maintained. Colorado Fuel & Iron convertible 5s were weak.

**United States Bonds.**—Sales of Government bonds at the Board this week included \$15,000 2s, coup., 1918, at 106½ to 109; \$1,000 4s, reg., 1907, at 110½; \$18,000 4s, coup., 1907, at 111, 110½ and 110½, and \$19,000 4s, coup., 1925, at 127½. The following are closing quotations; for yearly range see third page following.

	Interest Periods	Mar. 28	Mar. 30	Mar. 31	Apr. 1	Apr. 2	Apr. 3
2s, 1920.....registered	Q-Jan	108	108	108	108	108	108
2s, 1920.....coupon	Q-Jan	108	108	108	108	108	108
2s, 1920, small, registered	Q-Jan	108	108	108	108	108	108
2s, 1920, small, coupon	Q-Jan	108	108	108	108	108	108
2s, 1918.....registered	Q-Feb	107	107	107	107	107	107
2s, 1918.....coupon	Q-Feb	107	107	107	107	107	107
2s, 1918, small, registered	Q-Feb	107	107	107	107	107	107
2s, 1918, small, coupon	Q-Feb	107	107	107	107	107	107
4s, 1907.....registered	Q-Jan	110	110	110	110	110	110
4s, 1907.....coupon	Q-Jan	111	111	111	111	111	111
4s, 1925.....registered	Q-Feb	127	127	127	127	127	127
4s, 1925.....coupon	Q-Feb	127	127	127	127	127	127
4s, 1925, small, registered	Q-Feb	127	127	127	127	127	127
4s, 1925, small, coupon	Q-Feb	127	127	127	127	127	127

\*This is the price bid at the morning board; no sale was made.

**Railroad and Miscellaneous Stocks.**—The stock market has been very much depressed this week and pretty general declines in prices occurred, though with some recovery at the close. On Saturday stocks were weak early in the day, but rallied later on a favorable bank statement. On Monday prices dropped all around. The publication on Tuesday morning of an interview with Mr. J. P. Morgan, taking an optimistic view of the situation, had the effect of strengthening the market on that day, notwithstanding that at one time money rose as high as 15 per cent on call. On Wednesday irregularity again appeared, which developed into weakness on Thursday. In the early trading to-day the tone was lower, but prices rallied somewhat at the close on rumors of a settlement with the pool in Southern Pacific. Pennsylvania has been the active feature of the week and the close was at 136½ to-day against 137½ last Friday. The court decision in the Wabash case dissolving the injunction against the unions was responsible for the decline in the prices of both the common and preferred shares of that road. Atchison issues moved irregularly but closed higher than last week. St. Paul ended the week slightly lower than on last Friday. After an advance to 130½, Metropolitan Street Railway reacted to-day to 133½; the close was at 134½. New York Central shares, while strong in the early part of the week, became depressed on Thursday and Friday and ended the week at last Friday's closing figure. Both Southern Pacific and Union Pacific shares were depressed late in the week following unpleasant disclosures in the Keene Harriman fight.

Colorado Fuel & Iron was the weak feature of the industrial group; the common shares of this company dropped 10½ points to 54; the last sale was at 55½. Following the announcement of a further reduction in the price of sugar by the Arbuckle Bros., American Sugar Refining shares declined. A fractional drop in the price of copper was responsible for the weakness in Amalgamated and Anaconda yesterday and to-day.

For daily volume of business see page 743.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow.

STOCKS	Sales for Week	Range for Week	Range since Jan. 1
Week Ending Apr 3			
Allis-Chalmers Co.....	200	18 Mar30	18 Mar31
Amer Agri Cult Chem.....	24	21 Apr 2	21 Apr 3
Am. Steel Foundries.....	700	14 Apr 2	15 Apr 1
Preferred.....	850	31 Mar30	32 Mar31
Amer Tel & Cable.....	200	81 Apr 2	82 Apr 3
Cleve Lorain & Wh, pref	100	90 Mar31	90 Mar31
Denver & Southwest, pt.	50	20 Mar30	20 Mar30
General Chemical, pref..	100	100 Apr 1	100 Apr 1
Net Exam & Stamp, pref	95	90 Apr 1	90 Apr 1
New Central Coal.....	600	47 Mar30	47 Apr 3
N Y Dock.....	400	28 Apr 1	28 Apr 1
Preferred.....	100	51 Apr 3	51 Apr 3
North American rights..	2,050	5 Apr 3	5 Apr 3
Ontario Silver Mining..	100	5 Apr30	5 Apr30
Pennsylvania rights.....	14073	3 Apr 3	3 Apr31
R.R. Securities "A".....	300	85 Mar30	90 Mar31
St L & San Fran stock tr			
ty for C & E Ill pref..	100	125 Apr 1	125 Apr 1
Syracuse Lighting.....	60	43 Mar30	43 Mar30
United Fruit.....	200	2107 Apr31	2107 Apr31
U S Steel, pref, rights..	7,133	3 Apr 2	3 Apr25
U S Reduc & Refining..	400	30 Mar30	32 Apr 1

**Outside Market.**—The market for unlisted securities while depressed on Saturday and Monday developed strength on Tuesday in sympathy with the movement on the Stock Exchange. After that, although considerable irregularity was displayed at times, the general tone continued firm until to-day, when prices again moved downward. Northern Securities was the leading feature of the trading; the initial sale on Saturday was around 103½; from that figure it declined the same day to 102½; subsequently, however, the price moved up irregularly to 105½, then reacted again to 103½ and ended the week at 104. United States Steel, new 5s (w. l.) fell off a point on Saturday to 84½, but later reacted to 86; the last sale to-day was at 85½. Standard Oil sold down 3 points on Saturday to 667; subsequently it advanced to 679½ and reacted to-day to 670. Electric Vehicle has been a strong feature of the week; the common shares advanced from 8½ to 12, but declined a point to-day in sympathy with the rest of the market; the preferred, after falling off a point to 13, advanced to 15½, and closed the week at 14½. North American Lumber & Pulp was very much depressed early in the week; on Saturday the price dropped 3 points to 7½, but later reacted and on Thursday reached 11½. Dealings in the copper group have been on a small scale. Greene Consolidated closed ½ point lower than last week at 24. British Columbia declined from 5½ to 4½. American Barrel & Package moved down 3 points to 35½. Outside quotations will be found on page 743.







## BONDS

N. Y. STOCK EXCHANGE  
WEEK ENDING APRIL 3

Auction										January									
	Bid	Ask	Low	High	No	Low	High			Bid	Ask	Low	High	No	Low	High			
Chic & West Ind gen g 6s	1932																		
Chic & West Ind gen g 6s	1932																		
Choc O & G gen g 5s	1919	J-J																	
Cin H & D consol s 17s	1905	A-O																	
2d gold 4s	1937	J-J																	
Cin D & I 1st gen g 6s	1941	M-N	113 1/2	115	Jan '03	114	115												
Cin S & C See C C S L																			
Cleveland & Mah See B & F																			
Cleveland Cin Chic & St Louis																			
General g 4s	1903	J-D	100 1/2	100	Oct '02	100	100 1/2												
Gen Div 1st gen g 4s	1901	J-J	99	100	Jan '03	100	100												
Cin W & M Div 1st g 4s	1901	J-J	102 1/2	102 1/2	2	102	103 1/2												
St L Div 1st col tr g 4s	1900	M-N	103	103	Oct '02														
Registered	1900	M-N	102	102	Oct '02														
Spr & Col Div 1st g 4s	1940	M-S	83	83	Nov '02														
W W & V Div 1st gen g 4s	1902	M-N	99	100	Mar '03	102 1/2	103												
C I St L & C consol 6s	1920	M-N	99	100	Mar '03	102 1/2	103												
1st gold 4s	1936	Q-F	99	100	Mar '03	102 1/2	103												
Registered	1936	Q-F	115	115	Nov '02														
Cin S & C 1st gen g 5s	1914	J-D	113 1/2	113 1/2	Jan '02														
C C & I consol 7s	1914	J-D	134 1/2	134 1/2	Jan '02														
Consol sink fund 7s	1914	J-D	130 1/2	130 1/2	Jan '03														
General consol gold 6s	1934	J-J	130 1/2	130 1/2	Jan '03														
Registered	1934	J-J	101 1/2	101 1/2	Nov '01														
Ind & W 1st pref 4s	1934	A-O	102	102	Nov '01														
O Ind & W 1st pref 4s	1934	Q-F	97	99	Mar '03	98 1/2	100												
Pco & East 1st con 4s	1940	Apr	74	78	78	23	73	82											
Income 4s	1934	A-O	111 1/2	114	Dec '02														
Cl Lor & Wh con 1st g 6s	1933	A-O	126	128	J'me '02														
Clef & Marietta See	1938	J-J																	
Clef & Marietta Val g 5s	1938	J-J																	
Registered	1938	J-J																	
Clev & Pitts See Penn Co																			

**MISCELLANEOUS BONDS—Continued on Next Page.**

[illegible]

\* No price Friday; latest bid asked this week. a Due Jan b Due Feb c Due Apr d Due May e Due July f Due Aug g Due Oct h Due Dec i Option sale





















**American Railways.**—Purchase.—This company has secured control, or more properly absolute ownership, of the Tyron Electric Railway Co. The latter's affairs are at present somewhat involved from a legal point of view.—V. 76, p. 479.

**Arkansas Southern RR.**—Securities.—The change in the control of this road was noted last week. The property is capitalized as follows:

The authorized capital stock is \$3,180,000, of which \$1,262,000 are outstanding. The only bonds on the property are the first mortgage gold 5s, dated July 1, 1899, due July 1, 1929, without option of earlier redemption; interest payable January 1st and July 1st; Mississippi Valley Trust Co., trustees. The total issue authorized is \$3,350,000, of which \$1,262,000 is outstanding. The trustee is empowered to certify not more than \$12,500 per mile of main track.

No additional mortgage is in contemplation at the present time and it is yet too early to say what will be done in the way of extension. G. W. Hunter is serving as both President and Treasurer.—V. 76, p. 704.

**Arkansas Springfield & Northwestern RR.**—See Iowa & St. Louis Ry. below.—V. 76, p. 380.

**Atchison Topeka & Santa Fe Ry.**—Consolidation Act Approved.—The Governor of Texas has passed the bill authorizing the Gulf Colorado & Santa Fe RR. Co. to purchase the Gulf Beaumont & Great Northern and Gulf Beaumont & Kansas City. A bill was also introduced not long ago to permit the Southern Kansas Ry. Co. of Texas to take over the Pecos River RR. and the Pecos & Northern Texas, being the constituent lines forming the Pecos Valley & North Eastern.—V. 76, p. 652, 434.

**Bituminous Coal Companies.**—Agreement.—Under an agreement entered into on March 30 the miners of Central Pennsylvania on April 1 obtained without a strike an advance in wages averaging 11 per cent and an eight-hour work day for all men inside the mines except pumpmen and monthly men. This agreement applies, it is said, to over 25,000 miners directly represented. A voluntary increase of from 55 to 65 cents per ton has also been made in the pay of the miners in the George's Creek and Somerset regions. This increase is given by the Consolidated Coal Co., and its allies the Fairmont and Somerset companies, and also by some independent companies. It will, it is claimed, increase the wages of about 15,000 men by from 15 to 18 p. c.—V. 76, p. 381.

**Boston Suburban Electric Companies.**—Acquisitions.—The "Boston News Bureau" says:

It is understood that the company will shortly increase its capital by 40,000 shares to capitalize the recent purchase of the Natick & Cohasset Street Railway Company and the prospective purchases of the South Middlesex Street Railway Co. and other companies. It is said that the Boston Suburban Co. purchased a majority interest in the Natick & Cohasset Street Railway Co. at \$300 per share and the minority holdings at \$250. The operating arrangement made with the South Middlesex Street Railway Co. will enable the Boston Suburban to run through cars from Worcester via Westboro, Hopkinton, Ashland, South Framingham, Natick, Wellesley and Newton Boulevard to Park Street without change of cars.

Subsequently the Bureau announced that the shareholders had voted to increase both the common and the preferred stock from 50,000 to 70,000 shares in order to acquire other roads and to capitalize new equipment, 100 new cars having been purchased in the last twelve months. Ownership of the South Middlesex road, it is announced, will shortly be assumed.—V. 74, p. 679.

**California & Northwestern Ry.**—Reported Change in Control.—It is reported in San Francisco that the Southern Pacific (Union Pacific) interests purchased control of this property some weeks ago, but are withholding an official announcement of the fact until the annual meeting of the Southern Pacific Co., shortly to be held.—V. 73, p. 444.

**Canadian Northern Ry.**—Branches.—The "Railroad Gazette" says:

The Manitoba Legislature has passed an Act guaranteeing the bonds of the Canadian Northern to the extent of \$10,000 a mile, for about 300 miles of branch lines. The projected lines include lines from Springfield to the southern boundary of the Province near St. Ann; from near Pargua to Brandon; from Swan River to the western boundary of the Province, and from near Greenway westerly. A. McMillan of Westbourne, Man., has been awarded a contract to grade 65 miles of an extension, commenced last year, from Glenwilliam to Beaubien.—V. 74, p. 704.

**Canton-Akron (Electric) Ry.**—Bonds.—E. H. Rollins & Sons are offering at 101 and interest a block of the 5 p. c. gold bonds due March 1, 1923. The firm reports the company's earnings for the year ended Feb. 28, 1903, as gross, \$287,976; operating expenses, \$190,183; net earnings, \$108,344. During three months of the above period only 28 miles of the 50 miles of road were in operation. The entire mileage for nine months from June 1, 1902, to Feb. 28, 1903, shows: Gross, \$240,749; net earnings, \$85,877.—V. 75, p. 593.

**Chicago Rock Island & Gulf Ry.**—Merger Bill Signed.—Gov. Lanham has signed the bill authorizing this company to purchase the property, rights and franchises of the Chicago Rock Island & Texas Ry. Co. and the Chicago Rock Island & Mexico Ry. Co. and the Choctaw, Oklahoma & Texas RR. Co. See V. 75, p. 1598, 1186; also V. 74, p. 1194.

**Chicago Rock Island & Pacific RR.**—New Officers.—The following changes are announced:

C. H. Warren, First Vice-President to succeed H. A. Parker, resigned; G. H. Crosby, Treasurer, to succeed F. E. Hayne. (Mr. Crosby is now Treasurer and Secretary); C. F. Jilson, Assistant Secretary, and H. E. Farnell, Assistant Secretary and Assistant Treasurer, with headquarters at Chicago.—V. 76, p. 541, 530.

**Concord (N. H.) Street Ry.**—See Concord & Montreal RR. above.—V. 76, p. 312.

**Chicago Rock Island & Pacific Ry.**—See Chicago Rock Island & Gulf Ry. above.—V. 75, p. 1598, 1353, 1081.

**Concord & Montreal RR.**—New Stock, Etc.—The shareholders will vote April 8 on accepting the Act of the New Hampshire Legislature relating to the Concord Street Railway; they will also vote on the proposed acquisition of that property by the purchase of the stock and bonds thereof, and the dissolution of the corporation, the improvement and extension of its road, including a change of its gauge, and providing additional equipment therefor, and further to increase the stock of the C. & M. to such an amount as may be necessary for the foregoing purposes.—V. 76, p. 212.

**Dayton Springfield & Urbana Electric Ry.**—Stock Offered.—A circular sent out by A. E. Appleyard & Co. offering a limited amount of the preferred shares says in part:

The recent opening of the Columbus London & Springfield, the Urbana Bellefontaine & Northern and other extensions and feeder lines, together with the natural growth of the business, which of itself has at times taxed the road to its utmost, has forced upon the management the positive necessity of double-tracking the line between Dayton and Springfield, a distance of 27 miles. This will necessitate a considerable increase in equipment and the erection of several new steel bridges. To further facilitate speed the route will be shortened considerably by reducing many of the curves.

To provide for these necessary improvements the stockholders authorized an increase of the capital stock by issuing 7,500 additional shares, the authorized stock issue now being 15,000 shares (\$1,500,000), of which 10,000 shares (\$1,000,000) are made cumulative preferred drawing 5 p. c. interest for two years and 6 per cent after Jan. 1, 1906; the proceeds from the sale of which will be applied to this purpose. The estimated earnings for the year ending Nov. 30, 1903, are: Gross, \$290,000; operating expenses, 53 p. c. \$153,700; net, \$136,300; less interest on \$750,000 5 p. c. bonds, \$37,500; less 6 p. c. dividends on \$1,000,000 preferred stock, \$60,000; balance, surplus, \$48,800.

The company runs "through parlor car service hourly in connection with the Columbus London & Springfield Railway, between Dayton (Pop. 90,000), Springfield (Pop. 40,000), Columbus (Pop. 125,000); distance, 73 miles; running time between cities, 2 hours; maximum speed, 60 miles per hour; capacity of motors, 300 H. P.; weight of cars, 75,000 lbs." See also V. 76, p. 157.

The Appleyard system now covers about 350 miles, and embraces the following named roads:

Central Market Street Ry. Co. (Columbus, O.).	Dayton Lebanon & Cin. RR. Co.
Columbus Grove City & South Western Ry. Co.	Dayton Spring. & Urb. Elec. Ry. Co.
Columbus Lon. & Spring. Ry. Co.	Kenton & Southern Ry. Co.
	Ohio River & Western Ry. Co.
	Springfield & Western Ry. Co.

—V. 76, p. 653, 212.

**Dayton & Troy Electric Ry.**—Pending Deal.—The President of this company, replying under date of March 24 to our inquiry, says that the deal recently referred to has not been closed.—V. 76, p. 638.

**Detroit Mackinac & Marquette RR.**—Land Grant Reorganization.—A representative of the committee for the land grant bonds will shortly go to Detroit in the interest of the bondholders. On his return it is probable steps will be taken looking to a readjustment. In the meantime nothing has been decided respecting the form which the latter will take. The Detroit Mackinac & Marquette RR. was sold in 1886 under foreclosure of the first mortgage and was bid in by a syndicate for \$1,010,000. In the reorganization the assenting holders of first mortgage bonds (total issue \$3,280,000) received in exchange an amount equal to two-thirds of their holdings in Duluth South Shore & Atlantic first mortgage 5s and par in preferred stock. Assenting holders of the income bonds (total issue \$1,500,000) received par in preferred stock of the Duluth S. S. & Atlantic. Holders of the land grant bonds (then \$4,550,000) retained their lien on the lands and received 35 p. c. in common stock, and the holders of old stock (\$4,750,000) received 60 p. c. in new stock of the Duluth S. S. & Atlantic. It is an interesting question to whom the equity in the unold lands, after providing for the principal of the land grant bonds (due in 1911) properly belongs. The old stock is, we understand, held by Hugh McMillan as trustee.

The members of the land grant committee are Jefferson M. Levy, Chairman; N. G. Johnson, Charles H. Godfrey and Simon Rothschild.—V. 75, p. 707.

**Elgin Aurora & Southern Traction.**—First Dividend.—A dividend of  $\frac{3}{4}$  of one per cent has been declared payable April 10 to holders of record March 31.—V. 73, p. 1010.

**Halifax & Southwestern Ry.**—Purchase.—A bill has been introduced in the Assembly at Halifax, N. S., authorizing the sale to this company of the Nova Scotia Central Ry., which is now 74 $\frac{1}{2}$  miles in length, extending from Middleton and Bridgewater to the south shore of Nova Scotia. The Toronto "Globe" says:

The purchase price is \$345,000, as follows: The Government of Nova Scotia will issue to the Halifax Banking Co. \$435,000 Provincial debentures to be secured by a first mortgage on all the assets of the Central Railway. The balance, \$100,000, will be paid by Mackenzie & Mann, who will have a second mortgage on the contract. Hon. Mr. Drysdale, who introduced the bill, said that after paying 3 per cent on the Government advance and the Mackenzie & Mann advance the Central was capable of showing a handsome profit on its earnings, which are steadily increasing. By this agreement the Halifax & Southwestern Railway Co., which is under contract with the Government to build a railway from Halifax to Yarmouth, will save 13 miles of construction, utilizing the Central line section from Mahone Bay to Bridgewater, now in operation, and the Provincial Government will save subsidies for 13 miles, amounting to \$130,000. The Nova Scotia Central also has 150,000 acres of valuable timber lands along its line, which pass to the Halifax & Southwestern, and form part of the Government's security. The purchase of the Nova Scotia Central will consolidate the Mackenzie & Mann system and afford an outlet for the railway under construction between New Germany and Caledonia Corner, in Queen's County.

**Mackenzie & Mann** are the leading spirits in the Canadian Northern enterprise. Compare Halifax & Yarmouth Ry.—V. 70, p. 686.

**Hudson & Manhattan RR.—Trolley Line Tunnel.**—As bearing on the plans of this company, incorporated last week at Albany, reference should be made to the CHRONICLE of Sept. 27, 1903, p. 686, where mention is made of the incorporation of a company with the same name designed to build the New Jersey end of the tunnel.—V. 70, p. 705.

**Illinois Central RR.—Maturing Bonds.**—Chaplin, Miloe, Grenfell & Co., Limited, No. 6 Princes St., London, E. C., are purchasing at par and interest the \$630,000 5 per cent sterling bonds maturing April 1, 1903. See V. 70, p. 654.

**Iowa & Dakota Central Ry.—Sold.**—See Iowa & St. Louis Ry. below. (Compare V. 70, p. 1399.)

**Iowa & Missouri Ry.—Sold.**—See Iowa & St. Louis Ry. above.—V. 70, p. 265.

**Iowa & St. Louis Ry.—Securities Transferred.**—H. F. Reddig of Kansas City, replying to our inquiry, says: "The Iowa & St. Louis, Iowa & Missouri and Iowa & Dakota Central have been turned over to the Burlington; transfer was made by turning over the stock and bonds. The Arkansas-Springfield & Northwestern RR. will be built by the original owners, and they have closed contract with the Federal Construction Company of Kansas City to do the work."—V. 70, p. 654.

**Joliet & Northern Indiana RR.—New Lease.**—A new lease has been made by which the capital stock of \$300,000 is to receive dividends at the nominal rate of 2½ p. c. per annum. The entire issue is owned by the Michigan Central RR.—V. 26, p. 342.

**Lake Shore Electric Ry. (Ohio).—Receivership Ends.**—On Tuesday Albion E. Lang was discharged as receiver, the road passing under the management of the following directors, who were elected on March 30, all but the three last-named being new:

Horace E. Andrews, of the Cleveland Electric Co.; H. P. McIntosh, of the Guardian Trust; E. G. Tillotson, of the Cleveland Trust; E. V. Hale, of the American Trust; S. F. Haerdt, of the Prudential Trust; J. R. Nutt, of the Citizens' Savings & Trust; H. A. Everett, E. W. Moore and S. Mahler.

The bondholders are to have control for five years through a voting trust. The "Cleveland Leader" says:

It is stated that all of the new issue of preferred stock which was offered to the stockholders pro rata at 60 has been subscribed for and the syndicate, headed by the American Trust Co., have purchased the \$1,750,000 bonds issued to raise the receivership. Messrs. Everett, Moore and Mahler each arranged to take 3,000 shares of the new stock to complete the subscription.

The two new mortgages have been recorded, viz.: One for \$4,000,000 to secure twenty-year 5 per cent bonds and the other for \$7,000,000 to secure thirty-year 5 per cents. (See V. 70, p. 158.)—V. 70, p. 542, 582.

**Lake Street Elevated RR., Chicago.—Reorganization Status.**—No plan has been prepared and none, it is said, will be until a majority of the first mortgage bonds has been deposited. The deposits, it is stated, include \$650,000 out of a total issue of \$5,860,000 first; about 50 p. c. of the stock and \$600,000 income bonds.—V. 70, p. 654, 542.

**Louisville & Nashville RR.—New Collateral Trust 4s.**—The new "Five twenty 4 p. c. collateral trust gold deed" is made to the United States Trust Co. of this city as trustee and secures \$30,000,000 of \$1,000 bonds dated March 2, 1903, and due April 1, 1923, but subject to call as an entire issue on or after April 1, 1908, on 60 days' notice at par and interest. The collateral for the issue was shown in the CHRONICLE of March 7, page 542, the only change from the preliminary statement being in the amount of unified 4s; this last is \$36,000,000 instead of \$36,640,000. A proportionate amount of the collateral may be withdrawn at any time upon delivery to the trustee of not less than \$1,000,000 of the new bonds.—V. 70, p. 705, 593.

**Manhattan (Elevated) Ry.—Property Transferred.**—At midnight on March 31 the property was taken over under lease by the Interborough Rapid Transit Co., which at once increased the wages of the men by from five to fifty cents a day, as previously offered by General Manager Skitt and rejected by the men. A new train schedule on the Sixth Avenue line reduces the train-men's day to nine hours and twenty minutes as a maximum and nine hours and one minute as a minimum. The same schedule, it is expected, will presently be established on the other lines.—V. 70, p. 705, 542.

**Mauch Chunk Lehigh & Slatington (Electric) Street Ry.—Receiver.**—At Allentown, Pa., on March 31, ex-Assemblyman Hugh E. Orilly, a director, was appointed receiver of the road on petition of the Lehigh & Portland Cement Co., the John H. Pascoe estate and Patrick Cannon. The line is in operation between Mauch Chunk and Lehigh in Carbon County, Pa. Capitalization June 30, 1902: stock, \$600,000; bonds, \$300,000. Gross earnings for year ended June 30, 1902, \$24,724; operating expenses, \$38,372; taxes, \$591; interest on bonds, \$11,295. President, I. A. Szwedgard, 704 Land Title Building, Philadelphia.—V. 72, p. 959.

**New York City Interborough Ry.—Ordinance Signed.**—Mayor Low has signed the ordinance passed on March 16 granting this company a 25-year franchise. See V. 70, p. 664; V. 74, p. 661.

**New York New Haven & Hartford RR.—Agreement.**—On April 1 an agreement was reached with the train-men under which, beginning May 3, the men are to have an eleven-hour work day in place of a 12-hour day, and are to be paid on a

mileage basis, with an allowance for overtime.—V. 70, p. 706, 664.

**New York & New Jersey Bridge Co.—Mortgage.**—This company has made a mortgage to Milton Hopkins of Glen Cove, L. I., as trustee, to secure \$80,000,000 of fifty-year 5 p. c. bonds due Jan. 1, 1953. The company was organized several years ago to build a bridge across the Hudson River from Jersey City to 59th St., New York. Latterly little or nothing has been heard of the enterprise, and it was generally supposed to have been abandoned owing to the building of the Pennsylvania tunnel. The President is Gen. James S. Clarkson and the Secretary is Charles H. Swan.—V. 73, p. 991.

**Nova Scotia Central Ry.—Sale.**—See Halifax & Southwestern Ry. above.

**Ohio Central Traction Co.—Mortgage.**—This company has made a "consolidated first mortgage" to the Cleveland Trust Co., as trustee, to secure \$400,000 of 5 p. c. \$500 gold bonds, of which \$350,000 have been issued and \$150,000 are reserved to retire at maturity the first 5s due in 1919. The new bonds are described as follows:

Dated March 1, 1903, and due March 1, 1923, but subject to call in whole or in part for payment on March 1, 1908, or any subsequent interest period, at 105 and interest on thirty days' notice; interest payable March 1 and September 1 in Cleveland or the National Bank of Commerce in New York. The mortgage is a first lien on 17 miles of track, and covers in all 29 miles, 12 miles being subject to the first mortgage of \$150,000. Possession was recently taken of the Mansfield & Gallion Electric Ry.

**Pennsylvania RR.—Conversions.**—To and including March 31 nearly \$30,000,000 of the \$50,000,000 convertible bonds had been turned into stock at 140.—V. 70, p. 706, 594.

**Pere Marquette RR.—Acquisitions.**—We have been favored with the following official statement regarding the company's latest acquisitions:

The Pere Marquette has acquired the entire capital stock of the following-named roads, viz.: South Haven & Eastern, Milwaukee Benton Harbor & Columbus, Benton Harbor Coloma & Pawpaw Lake Train Railway. All the existing bond issues of the properties are to be retired immediately and the mortgages satisfied. The bonds have already been deposited with the Knickerbocker Trust Co. for that purpose. The Benton Harbor Coloma & Pawpaw Lake Train Railway is about three miles in length, extending to Pawpaw Lake, and is used only during the summer months. The properties, it is expected, will be taken over April 1.

The stocks of the aforesaid properties are to be deposited with the Farmers' Loan & Trust Co., as trustee under the consolidated mortgage of 1901. The report that they are to be merged under the title of the Michigan Shore & Eastern Ry. is erroneous, that being an old plan, now abandoned. The Pere Marquette expects to have its trains running into Chicago within six months.—V. 70, p. 706, 594.

**Pittsburgh & Charleroi Street Ry.—Called Bonds.**—This company, present owner, by consolidation and merger, of the property of the Charleroi Ballevernon & Fayette City Street Ry. Co., will redeem the whole issue of \$60,000 bonds of 1896 at the office of the Union Trust Co. of Pittsburgh on May 1, 1908.—V. 74, p. 1090.

**Raleigh & Cape Fear RR.—Mortgage.**—A mortgage has been filed to the Knickerbocker Trust Company of New York, as trustee, to secure \$310,000 of 5 per cent 40-year \$1,000 gold bonds, dated February 28, 1903, and due March 1, 1943. The company was incorporated in 1893 and in January, 1899, opened its line from Raleigh, N. C., to Sippehaw, 20 miles, including 2 miles of trackage. A contract for an extension of 15 miles to Lillington was let last December, and an extension is contemplated to Fayetteville, N. C., 28 miles, making the total line owned 63 miles. The bond issue is limited to \$5,000 per mile and the capital stock is not to exceed \$10,000 per mile. The mortgage provides that none of the new bonds shall be issued until all existing liens shall have been satisfied. The road earned for the twelve months ending June 30, 1902, \$35,140, against \$27,389 in 1900-01; net \$12,050 against \$12,933; for the half year ended December 31, 1902, gross, \$16,510; net, \$8,960. President, John A. Mills; Secretary and Treasurer, F. T. Bicks. Office, Raleigh, N. C.

**St. Louis & San Francisco RR.—Union of Controlled Companies.**—See St. Louis San Francisco & Texas Ry. below.—V. 70, p. 706, 490.

**St. Louis San Francisco & Texas Ry.—Consolidation.**—Gov. Lanham of Texas has signed the consolidation bill. Compare V. 70, p. 159.

**Schenectady (N. Y.) Ry.—New Mortgage.**—The company is arranging to make a consolidated mortgage to secure \$7,000,000 of 4½ per cent bonds, of which sufficient will be reserved to retire at maturity the \$3,000,000 of first mortgage bonds, which were placed by N. W. Harris & Co.—V. 70, p. 266.

**Seattle & San Francisco Railway & Navigation Co.—Coupons Unpaid.**—The interest due April 1 remains unpaid.—V. 75, p. 291.

**Southern Pacific Co.—Litigation.**—The hearing in the injunction suit of Talbot J. Taylor & Co. was held at Nashville this week and brought out much interesting information. Affidavits were filed on April 1 by President Harriman of the Union Pacific; Otto H. Kahn of Kuhn, Loeb & Co.; J. Kruttschmitt, Fourth Vice-President and General Manager of the Southern Pacific; J. C. Stubbs, Traffic Director of the Union Pacific and Third Vice-President of the Southern Pacific; William Mahl, Comptroller of the Southern Pacific, and others. These affidavits combat the charges of unnecessary expenditures for betterments, excessive cost of operation and a favoring of the Union Pacific as against the interests of the Southern Pacific.

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Mr. Harriman's affidavit states that a friend informed him that he was approached by Edward Lauterbach with the statement that Mr. Keene represented a pool of 170,000 to 175,000 shares of Southern Pacific and held about 170,000 shares himself; and that unless the Union Pacific interests bought the pool stock at 70 and Keene's at 78, action was contemplated that would make trouble for them.

Mr. Keene says in his affidavit that he never authorized his stock to be sold by any one (which Mr. Lauterbach corroborates in his affidavit); that he, Mr. Keene, owns individually 100,000 shares, that Talbot J. Taylor & Co. owns as much more, entirely irrespective of their interest in the pool, and that his Keene's stock is not and never has been for sale. Talbot J. Taylor & Co. have also denied that Mr. Keene offered to sell his Southern Pacific stock to Union Pacific interests at 78 while at the same time offering to sell the pool stock at 70.

**Improvements.**—The following are some of the points brought out by the affidavits of the management respecting improvements:

All of the improvements in question are absolutely necessary, not only to reduce the expense of operation but also to enable the company to hold its traffic and compete with rival transcontinental lines. The Southern, the Union Pacific and the Northern Pacific have each been through receiverships in recent years, during which many millions raised by assessments on stockholders as well as the earnings during the receiverships were expended for improvements of the character now being made upon the Southern Pacific lines, whereas the latter lines have never been in the hands of a receiver. The funded debt of the Southern Pacific system is out of all proportion to that of its reorganized competitors.

The total expense of the changes on the Central Pacific between Reno and Ogden, and most of which are now completed, is \$8,800,000, and an annual saving of \$900,000 in the expense of operation and maintenance resulting from this work is a conservative estimate. From July 1, 1899, to Jan. 31, 1903, the expenditures on the Central Pacific for construction and equipment were \$10,894,501; for equipment, \$1,452,918; total, \$12,347,419; contrasting with \$21,941,232 (\$11,477,390 for equipment) for the other Southern Pacific lines; these totals being substantially in proportion to the net earnings in each case.

First, the largest single item of expense in railroad operations, costs the Southern Pacific \$3.65 per ton; whereas it cost the Atchafalaya only \$1.52, the Union Pacific \$1.64 and the Northern Pacific \$1.85. If fuel and labor were as cheap on the Southern Pacific as on the Atchafalaya, its ratio of expense to earnings would be but a little over 45 per cent.

**Pool.**—The pool was to expire by limitation April 1, but the time has been extended to April 10, two days after the date of the annual meeting.—V. 76, p. 655.

**Terminal Railroad Association of St. Louis.**—*New Officers, etc.*—At the recent annual meeting W. S. McChesney Jr., recently Vice-President and General Manager, was elected President, and Julius Walsh, formerly President, was elected Chairman of the board. C. A. Vinnedge is Secretary.

**Report.**—The report for the calendar year 1902 shows:

Col.	Gross	Net	Other	Fixed	Balance.
Year.	Earnings.	Earnings.	Income.	Charges, etc.	Surplus.
1902	\$2,615,350	\$1,494,369	\$335,894	\$1,462,519	\$367,344
1901	2,385,309	1,489,912	350,143	1,402,642	437,313

—V. 76, p. 496, 352.

**Union Springs & Northern Ry. (Alabama).**—*Bond Extension.*—This company recently authorized the issuing of \$1,000,000 in bonds to extend the road from Fort Davis to Rockford, Coosa County, Ala., via Milledgeville, Tallahassee and Electric, a distance of 60 miles. It is said that the line will run through a fertile country with timber lands and mineral territory. The road now extends from Union Springs to Fort Davis, 7 1/2 miles. A mortgage was made in May 1907 to the International Trust Co. of Baltimore to secure \$1,000,000 of 5 p. c. gold bonds for \$1,000 each due May 1, 1911; but subject to call on and after May 1, 1906, at 105; interest payable May 10 and Nov. 10 at the office of trustees. Of these bonds \$75,000 are outstanding. W. M. Blount is Pres. and J. M. Elly is Treas., office, Union Springs, Alabama.

**Union Traction Co. of Indiana.**—*New Stock.*—To provide means for the payment of debts for the construction of the road and for materials and equipment, shareholders of record are offered the privilege of subscribing at par, on or before April 4, for the unpaid balance, \$870,862, of the \$1,000,000 preferred stock authorized in October, 1900.—V. 76, p. 431.

**Wabash RR.**—*New Mortgage.*—The stockholders and debenture bondholders will vote May 5 on a proposition to make a new "first or purchase money mortgage or deed of trust" to secure coupon bonds in a sum not exceeding \$10,000,000, the principal of said bonds to be payable in gold, fifty years after date, and bear interest at not over 5 per cent per annum, payable semi-annually. Said bonds are to be issued from time to time as the board of directors shall authorize, but only for the purpose of acquiring additional terminal grounds and property at St. Louis and Kansas City, Mo., Chicago and Quincy, Ill., Toledo, Ohio, Detroit, Mich., (and such other points as the stockholders and debenture bondholders may, at said meeting direct), and erecting and constructing thereon warehouses, freight houses, tracks, and other improvements.

The bonds are to be secured by a first or purchase money mortgage, or deed of trust, on all said grounds, properties, facilities, and improvements, and the mortgage or deed of trust will provide that the bonds shall only be certified and issued for amounts equal to the cost of the grounds and property so acquired or constructed, which cost shall include whatever may be necessary to discharge any mortgage or other lien subject to which the same may be acquired.

The stations and structures at St. Louis and Toledo—which are already under way—will call for probably \$2,500,000 or \$3,000,000, and the others will follow when acquired. While, therefore, authorization of the mortgage is desired, the issue will naturally be extended over several years.

The rapid growth of traffic on the Wabash System and the increase which is anticipated will follow the extension of the line to Pittsburgh render these additions to our terminal facilities absolutely necessary. It is considered desirable, under the circumstances, to provide the means for these expenditures by a single mortgage on the properties, as acquired, at the cost thereof, without taxing the net earnings of the company.

**Injunction Dissolved.**—In the United States District Court at St. Louis on April 1 Judge Elmer B. Adams handed down a decision dissolving the injunction granted on March 3, restraining the labor leaders from ordering a strike. Efforts are being made to effect an amicable adjustment. President Ramsay is detained in Europe by the illness of his daughter.—V. 76, p. 544, 436.

**West End Street Ry.**—*Issue Price.*—The Massachusetts Railroad Commissioners at the request of the company has changed the issue price of the new stock from \$92 to \$90 a share, since the new shares are to be sold "ex dividend."—V. 76, p. 707.

**West India Electric Co., Kingston, Jamaica.**—*Earnings.*—The report for the year ended Dec. 31, 1903, shows a surplus over charges of \$39,206, contrasting with \$14,909 in 1901. This surplus has been applied to the purchase of additional equipment and to the making of permanent improvements. Capital stock, \$800,000, in \$100 shares; bonds, \$500,000, of 5s due in 1928; interest, Jan. 1 and July 1. Total track, 26 miles. F. L. Wanklyn is President. Office, Montreal.

## INDUSTRIAL, GAS AND MISCELLANEOUS.

**Alabama Coal Iron Land & Colonization Co.**—*Coupons.*—Two instalment coupons, Nos. 42 and 43, of 10s., upon each of the instalment certificates, issued in exchange for Alabama 8 per cent gold State bonds of 1870, were recently announced, payable at No. 63 Finsbury Pavement, London, E.C.

**Algoma Steel Co.**—See Consolidated Lake Superior Co. below.—V. 72, p. 1082.

**American Car & Foundry Co.**—*Earnings.*—The results for the quarter and 10 months ended Feb. 28 were as below, the entire year's dividend being included for the longer period:

3 mos to	Net	Preferred	Common	Balance, Apr. 28.	Apr. 28.
Feb. 28—	earnings.	dividend.	dividend	surplus.	Feb. 28.
1902-03.	\$1,428,108	(1 1/4) \$525,000	(1) \$300,000	\$801,108	\$9,571,522
1901-02.	780,842	(1 1/4) 525,000	(1 1/4) 180,000	105,842	5,181,063

1902-03. 5,900,971 (7) 2,100,000 (3) 900,000 2,900,971 9,571,522  
1901-02. 2,806,118 (7) 2,100,000 (2) 600,000 106,118 5,181,063

The company on Thursday declared the usual dividend on the preferred stock and a quarterly dividend of 1 per cent on the common stock. The common stock is now on a 4-per cent basis.—V. 76, p. 655, 332.

**American Match Manufacturing Co.**—*Bonds.*—The 5 p. c. \$1,000 gold bonds secured by the mortgage recently filed to the Washington Trust Co. of this city, as trustee, are dated Jan. 1, 1903, and are due Jan. 1, 1918, but are subject to call, in whole or in part after Jan. 1, 1908, at 105 and interest; amount authorized, \$300,000; outstanding, \$200,000. The authorized capital stock (all common and in \$100 shares) has been increased to \$1,500,000, but only \$1,000,000 is outstanding; no dividends have been paid. The company was originally known as the Am. Match Machine Co., but changed its name. Chas. W. Drake is Vice-President and Treasurer, and W. A. Downs is Secretary. Office, 29 Broadway.—V. 76, p. 267.

**American Telephone & Telegraph Co.**—*New Stock.*—The shareholders on Tuesday approved the proposition to increase the authorized capital stock from \$150,000,000 to \$250,000,000.

President Fish says that it is not the purpose of the management to issue any of the new stock at present; also, that there is no foundation for the report that the company is planning to take over the Western Union Telegraph Co.

**Report.**—See page 750, also V. 76, p. 703.

**Boston Water Power Co.**—*Coupon Payment.*—Coupons numbered 9 and 10 of the 5 p. c. bonds dated June 1, 1903, were paid at the State Street Trust Co., Boston, on April 1, 1903, with interest, viz.: \$3 on coupon 9 and \$7.35 on coupon 10. The trustees are Moses Williams, John H. Storer and Arthur Lyman.—V. 72, p. 937.

**Brockton, (Mass.) Gas Light Co.**—*New Stock.*—The Massachusetts Gas & Electric Light Commission has authorized the issue of \$81,500 new stock at \$100 per share to fund floating debt and for additions to plant. Capital stock on June 30, 1902, \$178,500; bonds \$100,000; notes payable, \$148,290.

**California Gas & Electric Corporation.**—*Bonds.*—Mention was made last week (page 707) of the offering by the Mercantile Trust Co. of San Francisco of the bonds of this company. The circular and a copy of the mortgage, which are now at hand, afford the following additional information:

Bonds, \$1,000 gold 5 per cents, dated March 1, 1903, due March 1, 1933, but subject to call at 110 and interest at company's option; interest payable March 1 and Sept. 1 at the office of the Mercantile Trust Co. of San Francisco. Bonds authorized, \$10,000,000; issued, \$7,550,000; loanable for additions and betterments or retirement of underlying bonds, \$2,450,000. The trust deed provides a sinking fund, which will receive the following sums yearly on March 1, viz.: 1904-1908, \$150,000; 1909-1913, \$300,000; 1914-1918, \$450,000; 1919-23, \$300,000; 1924-1928, \$350,000; 1929-1933, \$400,000. These sums, together with the interest on bonds alive in the sinking fund, are to be used (1) in the retirement of underlying bonds under their



**F. L. Smith of the Olds Motor Works is President and Mr. Day, General Manager.**

The "Motor World" of this city of April 2 contains additional information about the association.—V. 76, p. 657.

**Equitable Gaslight Co. of San Francisco.—Option.**—A circular dated March 25, 1903, and signed by the Secretary, says:

An option has been given for the sale of the company's stock (\$3,776,400) at \$5 per share, and by depositing your shares of stock with Garret W. McEnerney, attorney-at-law, Nevada Block, San Francisco, you will receive at once 70 cents per share on account of such purchase. Should the sale not be made, then your shares of stock will be returned to you, or if the option is continued 90 days longer, then an additional 70 cents will be paid you. If the proposed purchasers purchase said shares, the difference between the amount paid you and the balance of the purchase price will be paid you at the expiration of the option.—V. 76, p. 597, 544.

**Erie Canal.—Barge Canal Bill.**—The "Journal of Commerce & The Commercial Bulletin" of March 30 contained a full digest of the Barge Canal Bill which recently became a law.—V. 76, p. 709.

**Guggenheim Exploration Co.—New Stock.**—Holders of the present stock (\$5,500,000), it is stated, will have the right to subscribe pro rata for an equal amount of new stock. The directors are to dispose of the remaining \$4,000,000 of the new stock (\$10,500,000) at their discretion.—V. 76, p. 657.

**Harrisburg (Pa.) Gas Co.—Amalgamation.—Mortgage.**—This company recently increased its capital stock from \$700,000 to \$1,000,000 and made a mortgage to the Harrisburg Trust Co., as trustee, to secure an issue of \$1,750,000 of 5 p. c. gold bonds; of these \$1,000,000 are now outstanding. The company, besides its own property, controls by ownership of capital stock the People's Gas & Gaseous Fuel Co., the Suburban Gas Co. and the Harrisburg Light Co.

The bonds are for \$1,000 each and are dated Feb. 2, 1903, and are due Feb. 1, 1928, without option of earlier redemption. Interest payable Feb. 1 and Aug. 1. The mortgage covers the entire property, franchises, etc. The stock is all common; par of shares \$100. President, Samuel T. Bodine; Sec., W. F. Douthitt; Treas., Lewis Lillie.

**The United Gas Improvement Co. of Philadelphia** owns a controlling interest, if not all the stock.—V. 74, p. 683.

**Hawaiian Commercial & Sugar Co.—Called Bonds.**—A number of debentures have been drawn for payment on Oct. 1, 1903.—V. 74, p. 429.

**Hyle Steel Tool Co., Syracuse, N. Y.—Stock Offered.**—This company, recently incorporated with \$1,000,000 of authorized capital stock, is offering 100,000 shares of capital stock at 35 cents, par value \$1, to provide for the enlargement of its plant. Directors:

President, Peter Eckel; Vice-President, Charles K. Underwood; Secretary, Charles M. Bedell; Assistant Secretary, Charles Clarke Warren of New York; Treasurer, Wm. H. Clarke of New York; James S. Gordon, W. A. Hyle and L. A. Leonard.

**Hill's School, Pottstown, Penn.—Securities Offered.**—The Franklin Trust Co. of Brooklyn (the mortgage trustee) is offering at par a block of this company's \$250,000 mortgage 5 p. c. gold bonds, dated March 2, 1903, and due March 1, 1928. Sufficient of the new issue is reserved to retire the \$120,000 bonds of 1897, the greater part of which have already been taken up. The same institution is also offering at par and interest a limited amount of the \$150,000 6 per cent cumulative preferred stock, dividend period March 1 and Sept. 1. There is an annual sinking fund of \$10,000 for the retirement of the bonds by lot at par and interest at the end of each five years if not purchasable for a less sum. The net earnings for the last five years have been: 1898, \$37,244; 1899, \$40,715; 1900, \$41,581; 1901, \$50,008; 1902, \$57,975.

**(E.) Howard Watch Co.—Incorporated.**—This company was incorporated in New Jersey on or about Feb. 18 with \$1,000,000 authorized capital stock, to manufacture watches. The E. Howard Clock Co. has an office at 41 Maiden Lane, this city.

**International Salt Co.—Purchase of Coupons.**—The April coupons were not paid as usual through the North American Trust Co., but instead the holders were asked to sign a contract selling their coupons to the Knickerbocker Trust Co. The only explanation given out regarding the matter is found in connection with the form of contract as follows:

In consideration of \$ — I hereby assign and sell to Knickerbocker Trust Co. — coupons due April 1, 1903, on the bonds of the International Salt Company, numbered —

(Sign here.) Witness: On receipt of this assignment, duly signed and witnessed, together with your coupons, by Knickerbocker Trust Co. you will be paid the full face value of your coupons. INTERNATIONAL SALT COMPANY.

**Litigation.**—A circular sent out by the company says in substance:

Your company was organized in Aug. 1901, and acquired majorities of the stocks of the National Salt Co. and the Retscof Mining Co., sufficient of the securities being used for that purpose and also to provide \$1,000,000 cash working capital. The Retscof Mining Co. was incorporated in New York State in 1885. Its business is mining rock salt; it owns and operates valuable salt deposits in New York State and has also a profitable plant and property in Louisiana. The National Salt Co. was placed in the hands of receivers during Sept., 1902. Its difficulties arose mainly from contracts which proved impossible of fulfillment, embarrassing it with embarrassing litigation and greatly impairing its resources.

The most important suit brought by the National Salt Co. was to set aside a contract for the purchase of the United Salt Co. of Ohio. By the terms of this contract it was to pay to the stockholders of the United Salt Co. for each share of that company's stock 10 shares of preferred stock of the National Salt Co. and in addition there was so-called "certificate of indebtedness" for \$108.25, payable in ten semi-annual equal installments. This certificate was in fact a security of 7 p. c. on the preferred and 10 p. c. on the common stock of the National Salt Co., so paid for the United States Salt Co. for five years. This certificate so issued aggregate \$1,055,000. Of this amount about \$320,000 has been paid to the American Trust Co. of

Cleveland, the trustee, leaving a balance due of about \$735,000. If this suit is successful, it will wipe out this indebtedness and will retire \$3,500,000 of new outstanding stock of the National Salt Co.

The receivers say they have been operating the New York property at a small profit, but have found it expedient to shut down the plants in Michigan indefinitely. So much depends on this outcome of pending litigation that it is impossible to predict at this time what this company may expect to receive from the National Salt Co. or what would eventually be done with that company.

In March, 1903, your company acquired the entire capital stock (\$1,000,000) of the International Salt Co. of Illinois. This company is essentially a distributing company, handling the products of the National Salt Co. and Retscof Mining Co., and to some extent of other concerns covering the Middle West. It has a well established business, which shows substantial increase each year.

The success of your company depends on the earnings of the Retscof Mining Co., the National Salt Co. and the International Salt Co. of Illinois.—V. 76, p. 645.

**Jamestown (N. Y.) Water Supply Co.—Called Bonds.**—The Farmers' Loan & Trust Co. will pay all the consolidated sinking fund mortgage bonds of 1899, viz., \$300,000, on May 26, 1903, at which date interest will cease; also all the consolidated sinking fund bonds of March 1, 1893, viz., \$320,000 on May 8, 1903.—V. 74, p. 857.

**Kansas City Stock Yards.**—See Nelson Morris & Co. below.—V. 75, p. 613.

**La Grange (Ill.) Gas Co.—Bonds Offered.**—Devitt, Tremble & Co., of Chicago, are offering a block of first mortgage 5 p. c. gold bonds at 101 and interest. A circular says:

Bonds dated Feb. 2, 1903, due Feb. 1, 1943, optional after Feb. 1, 1913, at 108 and interest, interest payable Feb. 1 and Aug. 1 at the Federal Trust & Savings Bank, Chicago, trustee; denominations, \$100 and \$500. Total authorized issue, \$500,000; reserved to cover only 85 p. c. of cost of future extensions and permanent improvements, but to be issued only when the annual net earnings are twice the interest charge as so increased, \$365,000; present issue, \$135,000. Capital stock, \$100,000. Gross earnings for year ending Feb. 1, 1903, \$33,671; net earnings, \$17,899; interest on outstanding bonds, \$6,750; surplus, \$10,649. The company is organized under the laws of Illinois and owns franchises running for fifty years in the villages of LaGrange, LaGrange Park, Grossdale, East Grossdale, West Grossdale and Hinsdale, all suburbs of Chicago, being only about fourteen miles from the city. Actual sales of gas for the year ending Feb. 1, 1903, were 21,518,200 cubic feet. Plant located in LaGrange was built in 1901. The erection of a new 100,000 foot two-lift gasometer with steel tank is under way. The sinking fund will retire \$230,000 of the bonds prior to maturity. President, I. C. Copley, Aurora, Ill.; Secretary and Treasurer, R. N. Strohn, LaGrange, Ill.—V. 73, p. 845.

**Marconi Wireless Telegraph Co. of America.**—The "London Times" announced this week that it had entered into a contract with the Marconi Company for the regular transmission of news despatches from the United States to England at a price only a little in excess of the cable rate from England to France. Two wireless dispatches, each over 100 words in length, were published by the "Times" on Monday, they having been sent by its New York correspondent to the Marconi station at Cape Cod, thence to the Poldhu station at Cornwall, and thence by land lines to London.—V. 76, p. 215.

**Maryland Telephone & Telegraph Co.—Suit Dismissed.**—At Baltimore on March 26 Judge Sharp in the Circuit Court dismissed the subscribers' suit for an injunction restraining the company from charging more than was prescribed by the ordinance of July 1, 1898, namely \$4 per month for business and \$3 per month for house service. The Judge says:

The language used here shows that Baltimore City imposed conditions in the grant to the Telephone Company, but gave no rights of contract which citizens generally can enforce. If evidently was intended to leave to the city the right to determine whether the conditions should be enforced or not. Whether the city has any rights under a proper construction of the ordinance which it can enforce against the company for what it has done, or not, I do not propose to decide, as that question is not before me.—V. 76, p. 637, 386.

**Midland Portland Cement Co., Bedford, Ind.—Bonds Offered.**—This company, incorporated under the laws of New Jersey in October, 1901, with \$1,000,000 "full paid" stock (\$100 shares), has recently been offering for sale \$500,000 of 5 p. c. twenty-year sinking fund gold bonds, subject to call at 108 and interest on or after Jan. 1, 1907, at company's office. The company has under construction at Bedford, Ind., a cement plant which will have a capacity of 3,000 barrels of cement daily; it also owns 208 acres of coralline limestone near Bedford, with clay and limestone "sufficient to produce more than 200,000,000 barrels of Portland cement." Louisville parties recently became interested in the enterprise. The general offices are in the Law Building, Indianapolis, and the Security Trust Co. of Indianapolis is mortgage trustee.

Fred W. Spacka, President; Geo. W. McDonald, Vice-President; Orlando M. Packard, Treasurer; Vinton O. Peck, Secretary.

**(Nelson) Morris & Co.—New Plant in Kansas City.**—This Chicago packing company, it is announced, will build a packing plant at Kansas City, to cost probably \$1,000,000.

**National Packing Co.—Financing.**—A Chicago paper says: The facts are that the packing people borrowed through Kuhn, Loeb & Co. \$15,000,000. The paper is dated Dec., 1902, and runs to June, 1903. It is a joint note, signed by the representatives of the big companies, who with the proceeds bought the plants named in the National Packing Co. Verified information refutes the statement that the packers borrowed \$20,000,000 last summer and renewed the loan for two years. The \$15,000,000 will be due in June and the packers will in all likelihood put out first mortgage bonds, which will be distributed among the four purchasers—the signers of the \$15,000,000—and each will take care of his portion of the amount borrowed.—V. 76, p. 708.

**Newmarket Mills, N. H.—Reduction of Stock.**—The shareholders have voted to reduce the capital stock from 1,000 shares par \$500 (\$500,000) to \$20,000, 300 shares par \$100. It is proposed to issue 3,300 new shares at \$100 par, making new capital \$600,000 in 6,000 shares of \$100 each. Last sale of old stock \$100.

**Pease Car & Locomotive Works.—Stock Offered.**—This corporation, organized Oct. 30, 1902, under the laws of Illinois with a paid-up capital of \$500,000, to succeed to the

business of F. M. Pease, is offering its entire issue of \$300,000 of 10 p. c. preferred stock at par (\$100 per share). A circular says:

The net earnings for the past year were \$100,000, and now that the new works at Hegewisch (a suburb of Chicago), Ill., are completed, this amount will be increased materially. The works cover 26 acres, with ear shops of a daily capacity of 15 freight cars and locomotive shops of a daily capacity of one rebuilt locomotive. The demand from industries, contractors, logging roads and small railroads insures a steadily increased business of rebuilt rolling stock, and to meet these needs we are now offering this stock for cash to make betterments and enlargements to the works. The company has no bonded or mortgage debts of any nature. In no year since the business started in April, 1897, with \$2,500 capital, has the earnings run less than the \$10,000 necessary to pay dividends on the preferred stock now offered. Office, 277 Dearborn St., Chicago.

(John N.) Robins Co.—*Mortgage*.—A mortgage was recently filed on the company's plant at Erie Basin, to the Brooklyn Trust Co. as trustee, to secure \$2,735,000 of 5 p. c. 20-year bonds. John N. Robins is President. Office 19 Whitehall St.

St. Louis Car Co.—The shareholders will vote May 16 on increasing the capital stock from \$500,000 to \$1,500,000, and May 20 on authorizing \$1,000,000 bonds. The directors include:

George J. Kobusch (President), Chr. Oonk, Henry Luedinghaus, Chas. E. Fritzsche, H. F. Vogel, Ernst Schilling. Office, 3000 North Broadway, St. Louis.

St. Paul (Minn.) Gas Light Co.—*Extension of Franchise*.—The city contends that the company's franchise expires Jan. 1, 1907. The company holds that it runs for fifty years beyond that date. In order, however, to settle all questions regarding the matter, the company has offered the city an immediate reduction in the price of gas and dollar gas by Jan. 1, 1907, provided the city will grant the company a franchise for 25 years from that date. The "St. Paul Pioneer Press" of March 27 contained a long statement made by the company's attorney, Carl Taylor, to the City Gas Commission, respecting the proposition.—V. 73, p. 1064.

Sea Coast Packing Co.—*N. Injunction*.—Vice-Chancellor Pitney in Jersey City on March 31 declined to grant a permanent injunction restraining the sale of the property to the Sea Coast Canning Co. See V. 73, p. 387.

Steel & Iron Corporation of (Chihuahua) Mexico.—*Bonds Offered*.—Herbert B. Seeley, 11 Broadway, is offering, at 102½, \$250,000 of this company's \$500,000 of 6 p. c. first mortgage sinking fund gold bonds, \$1,000 each, with a bonus of 80 p. c. in common stock. The company was incorporated under the laws of New Jersey on March 21, 1903, with \$1,000,000 full-paid common stock and \$300,000 non-accumulative and full-paid 7 p. c. preferred stock, par value of shares \$100. A circular says in part:

The plant is located in the city of Chihuahua, Mexico, a railroad and mining centre of 30,000 population. In 1857 the company started as a repair shop with \$10,000 capital under the name of The Compania Industrial Mexicana; in 1893 reorganized with capital of \$250,000 and present management inaugurated; in 1898 capital increased to \$400,000. The company owns a steel furnace; rolling mills; iron and brass foundries; machine shops and forge; stove, nail and bolt works; model and storage shops, etc.; a modern electric light and power plant of 1,875 horse power for public and private lighting; also extensive iron deposits, which in connection with a blast furnace to be erected from part of the proceeds of this bond issue will show a saving over the purchase of pig iron alone of over \$250,000. The real estate, buildings, machinery, etc., are conservatively estimated at \$2,500,000. The common stock has, under the present capitalization, been earning over 7 p. c. for a number of years. The works are running night and day and cannot supply the local demand. New corporation is exempt from State taxes for fifteen years; it commences business July 1, 1903. The bonds are first mortgage gold 6 p. c. \$1,000 each, dated July 1, 1903, due July 1, 1923, but subject to call \$25,000 yearly for the sinking fund at 105 after July 1, 1908. Interest remitted through the Morton Trust Co. of New York (the mortgage trustee), January and July. President, Enrique C. Oreel, Speaker of the Mexican House of Representatives and President of Mexican Central Bank, Mexico City. E. S. Hooley & Co., of this city, are interested.

Stone (Wireless) Telegraph & Telephone Co.—*New Enterprise*.—This company, incorporated in Maine July 15, 1903, with \$10,000,000 authorized capital stock in shares of \$100 each ("full paid and non-assessable"), has acquired some sixteen patents granted last December upon "essential features of commercial wireless telegraphy" as developed by John Stone of Cambridge, Mass. Mr. Stone, it is stated, is a special lecturer at the Massachusetts Institute of Technology and also an electrical expert of the Bell Telephone Co. Three thousand shares of treasury stock are being offered at \$25 per share. Alexander P. Browne is President and Brainerd T. Juddkins, Secretary and Treasurer. Office, 31 State St., Boston; laboratory and experimental station in Cambridge, Mass.

Stromberg-Carlson Telephone Manufacturing Co., Rochester, N. Y.—*New Stock*.—This company has filed at Albany a certificate of increase of common stock from \$1,500,000 to \$3,000,000. The preferred stock is \$1,500,000; par value of shares \$100. The certificate is signed by Hiram W. Sibley, John C. Woodbury and Charles E. Angel.—V. 73, p. 483.

United Box Board & Paper Co.—*Economics*.—At the recent annual meeting a finance committee consisting of T. E. Ellsworth of Lockport, N. Y.; Charles Bard of Norwich, Conn., and C. S. Merrill of Albany, N. Y., was appointed to make recommendations with a view to reducing expenses. Various reductions in salaries and other changes have since been adopted, and President Roberts and Treasurer Ashley at a recent meeting voluntarily moved a reduction of their own salaries by \$3,000 and \$2,000, respectively, a year. Mr. Ashley was also given the duties of Secretary with the single salary. The economics resulting from the various changes are said to amount to \$55,000 a year and up.

*Financial Statement*.—The company has made the following statement of its condition as of March 1, with some supplementary figures, bringing the "liabilities" down to March 19, viz.:

Assets—	March 1.	Liabilities—	Mar. 19.	March 1.
Bills and accts. receiv..	\$789,498	Bills payable	\$503,625	\$509,459
Mill settlement accts...	152,825	Accts. payable	359,855	474,565
Inventories.....	717,709			
Cash.....	92,675			
Total assets.....	\$1,743,707	Total liabilities.....	\$863,480	\$1,034,014

—V. 76, p. 658, 483.

United Gas Improvement Co.—See Harrisburg Gas Co. above.—V. 76, p. 334.

United Typewriter Co.—*Stock Offered*.—This company, incorporated under the Ontario Companies' Act, with \$350,000 authorized capital stock in shares of \$50 each, as successor of the Creelman Bros. Typewriter Co., is offering for sale \$50,000 of its stock at par. The earnings for the year 1902 are reported as \$125,000. Office, Toronto.

Utah Light & Power Co.—*Dividend*.—The company has declared a dividend of 1 per cent on preferred stock, payable 1st April. The same amount was paid in April of last year.—V. 73, p. 856.

Valley Counties Power Co.—*Control*.—See California Gas & Electric Corporation above.—V. 76, p. 709, 274.

Westinghouse Machine Co.—*New Stock—Option*.—The shareholders on Jan. 7, 1902, authorized an increase of the capital stock from \$3,000,000 to \$5,000,000, but no part of the new stock has heretofore been issued. The company now offers stockholders of record March 25, 1903, the privilege of subscribing to \$3,000,000 of the new stock at the price of \$100 per share (par value \$50) to an amount not exceeding 66⅔ p. c. of their respective holdings. Subscriptions may be made on or before April 25, 1903, on or before which date payment for shares must be made by draft or certified check.—V. 75, p. 1859.

Western New York Water Co.—*Purchase*.—This company recently purchased the entire capital stock of The Niagara Falls Water Works Co.; during the past year it also took over the controlling interest in the Depew & Lake Erie Water Co. (V. 72, p. 90). The capital stock of the new company is \$5,000,000 and a mortgage for \$10,000,000 was made last summer to the Girard Trust Co. of Philadelphia as trustee. The water company is working 70 miles of pipe, supplying Depew, Lancaster, Blasdell, Sloan, Kenmore, Wende, and other small places outside of Buffalo. The present intake is 7,700 feet from shore, and a new intake will be built.

*Bonds*.—The bonds are described as follows:

First mortgage \$1,000 5 p. c. gold bonds, dated May 1, 1903, and due May 1, 1927, but subject to call for payment at company's option at 110 and interest in whole or in part (when drawn by lot) "at the expiration of five, ten, fifteen or twenty years from the date hereof," after four weeks' notice. Interest payable May 1 and Nov. 1 in New York or Philadelphia. Bonds certified, \$1,310,000, of which \$1,010,000 are outstanding and \$300,000 are held in the treasury for future requirements. Total authorized issue, \$10,000,000.

*Directors*.—The directors are:

President, William B. Catter; Vice-President and General Manager, Frank S. McGraw; Treasurer, Arthur D. Bissell; Frank H. Goodyear, John J. Albright, Wilson B. Bissell, Charles W. Goodyear, Edmund Hayes, Martin Carey, Charles R. Huntley of Buffalo, and Peter A. Porter of Niagara Falls.—V. 74, p. 482.

—The Financial Review (annual), published at the office of the COMMERCIAL and FINANCIAL CHRONICLE, is now ready. The REVIEW contains a record of prices of railroad bonds and stocks, government securities, State bonds, etc., extending back many years, and is invaluable to the investor.

The price of the Review is \$3.  
William B. Dana Co., 76½ Pine Street, corner Pearl Street, New York.

Copies may also be had from P. Bartlett, 513 Monadnock Block, Chicago; Edwards & Smith, 1 Drapers Gardens, London.

—The banking firms of Joseph Walker & Sons of 20 Broad Street, New York City, and Fisk & Robinson of 23 State Street, Boston, Mass., have jointly published a very handsome and instructive map, showing (in colors) the various lines of New England railroads the stocks of which have their dividends guaranteed by the Boston & Maine or New York New Haven & Hartford or the Boston & Albany RR. companies. The firms named will take pleasure in forwarding a copy of the same upon request.

—N. W. Halsey & Co. have issued for gratuitous distribution a pocket atlas containing colored maps of all States and Territories in the United States, the provinces of the Dominion of Canada and of every county and civil division upon the face of the globe. In the back of the pamphlet is a map of the financial district of New York City, with the office of N. W. Halsey & Co., 49 Wall Street, indicated in red.

—C. I. Hudson & Co.'s circular, containing range of prices for the more active curb securities for the month of March, is now ready. These statistics are prepared by George T. Crutten, manager of their bond and miscellaneous securities department, and copies can be had on application to him at the firm's office, 36 Wall Street, New York.

—Wilson, Colston & Co. of Baltimore recently issued interesting circulars regarding the securities of the United Railways & Electric Company and the United Electric Light & Power Co., both of Baltimore.

## Reports and Documents.

## PITTSBURGH CINCINNATI CHICAGO &amp; ST. LOUIS RAILWAY COMPANY.

THIRTEENTH ANNUAL REPORT—FOR THE YEAR ENDING DEC. 31, 1902.

PITTSBURGH, February 25, 1903.

To the Stockholders of The Pittsburgh Cincinnati Chicago &amp; St. Louis Railway Company:

The Board of Directors herewith submit their report for the year ending December 31st, 1902, with such data relating to the lines embraced in your System as will give a clear understanding of their physical and financial condition.

INCOME ACCOUNTS OF ALL CORPORATIONS DIRECTLY OPERATED BY THE PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILWAY COMPANY.  
FOR THE YEAR ENDING DECEMBER 31, 1902.

Mileage.		Gross Earnings.	Operating Expenses including Taxes.	Net Earnings.	Rental Received by Subsidiary Company.	Other Income.	Gross Income.	Interest and other Charges, including Extraordinary Expenditures.	Net Income.	Dividends.	Surplus or Deficit.	Profit or Loss to P. O. C. & St. L. Ry. Co.
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1,143-97	Pitts. Ctn. Chic. & St. Louis Ry.	22,610,587	16,004,370	6,705,987	.....	71,043	5,776,730	3,987,428	1,789,303	1,651,223	\$ 138,020	
3-53	Ohio Connect'g Ry.	211,310	30,505	180,806	180,806	.....	180,806	54,783	126,022	41,950	\$ 84,072	
23-48	Charters Ry.	634,256	437,658	196,601	196,601	11,106	207,767	69,358	138,409	48,171	\$ 84,238	
28-04	Pitts. Wheeling & Kentucky RR.	386,602	256,117	130,485	130,485	.....	130,485	33,470	97,015	60,150	\$ 36,865	
194-49	Little Miami RR.	2,769,814	2,313,590	456,324	656,627	108,334	764,960	269,512	395,448	1393,448	.....	L. 92,069
2-35	Englewood Connecting Ry.	21,819	17,716	4,103	4,103	.....	4,103	.....	4,103	5,932	D. 1,849	
1,415-96	Total	26,634,358	19,960,452	6,673,906	1,168,621	190,543	7,064,851	4,513,551	2,551,360	2,199,894	\$351,406	L. 92,069

\* Dividends guaranteed by Pittsburgh Cincinnati Chicago &amp; St. Louis Railway Company.

\* The net loss to the Pittsburgh Cincinnati Chicago &amp; St. Louis Railway Company from the operation of subsidiary lines is included in interest and other charges of that Company.

## GENERAL INCOME ACCOUNT

FOR THE YEAR ENDING DECEMBER 31ST, 1902, AND COMPARISON WITH THE YEAR 1901.

All Lines Operated Directly by the Pittsburgh Cincinnati Chicago &amp; St. Louis Railway Company.

	1902.	1901.
EARNINGS—		
Freight traffic	\$18,845,180 68	\$17,073,866 25
Passenger traffic	5,861,786 20	5,253,906 37
Express traffic	750,949 26	690,790 92
Transportation of mails	929,992 90	921,219 62
Rents	190,669 21	1-2,175 17
Miscellaneous sources	255,799 29	168,933 87

Gross Earnings.....\$26,634,357 54 \$24,290,892 20

	1902.	1901.
EXPENSES—		
Maintenance of way and structures	\$3,483,699 47	\$3,691,555 29
Maintenance of equipment	4,881,932 33	4,258,262 69
Conducting transportation	10,207,101 12	8,668,299 23
General expenses	508,135 70	401,691 49
Taxes	931,583 60	858,515 29

Operating Expenses.....\$19,960,452 22 \$17,275,324 04

Net Earnings.....\$6,673,905 32 \$7,015,568 16

	1902.	1901.
To which add:		
Interest from investments	\$58,272 40	\$44,407 40
Interest General Account	12,770 83	13,127 37
Miscellaneous income, Little Miami Railroad	108,333 93	118,264 09
	\$179,376 86	\$175,798 86

Gross Income.....\$6,853,282 18 \$7,191,367 02

Deduct Payments—

	1902.	1901.
RENTALS, LEASED AND OPERATED ROADS—		
Little Miami Railroad	\$656,626 56	\$656,626 56
Charters Railway	196,601 00	136,727 53
Pittsburgh Wheeling & Kentucky RR.	130,485 30	130,474 77
Ohio Connecting Railway	180,806 56	140,216 73
Englewood Connecting Railway	4,102 56	6,014 32
Rent of Steubenville Extension	68,548 64	68,548 64
Rent of Lake Erie & Western R.R. between Indianapolis and Kokomo, Ind.	24,371 28	24,371 28
Rent of Cincinnati Hamilton & Dayton Railway between Hamilton and New River Junction, Ohio	4,966 20	4,966 20
Rent of Little Miami Railroad between Bendsom Junction and Cincinnati, O.	33,771 48	34,323 12
Total rentals	\$1,300,308 58	\$1,202,299 20

Deduction on FUNDING DEBT—

	1902.	1901.
P. C. C. & St. L. Ry. consolidated mortgage bonds, Series "A"	\$456,000 00	\$450,000 00
P. C. C. & St. L. Ry. consolidated mortgage bonds, Series "B"	395,370 00	395,370 00
P. C. C. & St. L. Ry. consolidated mortgage bonds, Series "C"	62,055 00	62,055 00
P. C. C. & St. L. Ry. consolidated mortgage bonds, Series "D"	204,800 00	204,800 00
P. C. C. & St. L. Ry. consolidated mortgage bonds, Series "E"	398,125 00	334,451 25
Steubenville & Indiana Railroad first mort. registered bonds (extended)	150,000 00	150,000 00
C. St. L. & P. RR. consol. mort. bonds	75,300 00	75,300 00
Union & Logansport Railroad first mortgage bonds	50,050 00	50,050 00
C. & I. C. Ry. first mortgage bonds	165,685 33	174,830 24
C. & I. C. Ry. second mortgage bonds	48,542 26	49,950 83
J. M. & L. RR. first mortgage bonds	64,400 00	78,160 00
J. M. & L. RR. second mortgage bonds	138,177 08	138,633 56

Total interest on funded debt...\$2,202,504 67 \$2,161,890 88

Interest on mort. and ground rents

Payments on account of Car Trust

cars, including interest and expenses.

Proportion of loss in operation of St. Louis Vandalia &amp; Terre Haute RR.

Total Deductions.....\$3,831,298 54 \$3,494,376 09

Net Income.....\$3,021,983 64 \$3,696,990 93

From this net income for the year.....\$3,021,983 64

the following amounts have been deducted, viz.:

Extraordinary Expenditures in revising grades and alignment and other outlay not properly chargeable to capital account.....\$808,661 10

Contribution to sinking fund for consolidated mortgage bonds.....364,020 00

Amount carried to sinking fund for redemption of Dayton &amp; Western Railroad Company mortgage bonds, maturing January 1, 1905.....60,000 00

Amount of net earnings applicable to and declared as dividends—

4 p. c. on pref. stock.....\$907,926 00

3 p. c. on common stock.....743,296 50

Balance transferred to Credit of Profit and Loss for the year 1902.....\$138,080 04

Add amount to credit of Profit and Loss December 31, 1901.....3,678,730 94

Deduct premium paid on Jeffersonville Madison &amp; Indianapolis Railroad Company first mortgage bonds redeemed through sinking fund and loss on sale of securities, less amount realized in settlement of sundry old accounts.....120,298 43

Balance to credit of Profit and Loss Dec. 31, 1902....\$3,696,990 93

## CAPITAL STOCK.

The amount of capital stock outstanding December 31st, 1902, was as follows:

Preferred, 226,982 shares.....\$22,698,200 00

Preferred, Scrip.....916 02

Common, 247,768 shares.....\$24,776,800 00

Common, Scrip.....734 14

Total.....\$47,475,610 16

There was an increase of \$800 in the preferred and \$38,100 in the common, or \$38,900 in all, due to the conversion of \$550 of scrip and of the following securities of constituent companies:

5 shares Pittsburgh Cincinnati &amp; St. Louis Railway Company common stock.....\$250 00

6 shares Steubenville &amp; Indiana Railroad Company common stock.....300 00

62 shares Chicago St. Louis &amp; Pittsburgh Railroad Company common stock.....6,200 00

136 shares Columbus Chicago &amp; Indiana Central Railway Company common stock.....6,300 00

Income Bond Scrip, Columbus Chicago &amp; Indiana Central Railway Company.....9,300 00

Total.....\$38,900 00

In addition to the amounts of preferred and common stock shown above there are also outstanding stocks of the constituent companies and fractional scrip amounting to \$561,391 38, making the aggregate of capital stock as per Balance Sheet \$48,038,441 44.

## FUNDED DEBT.

The amount of funded debt December 31, 1902, was \$46,931,000, an increase of \$1,326,000 as compared with 1901, due

to the issue of \$2,000,000 consolidated mortgage Series "E" 3½ per cent bonds and the redemption during the year of bonds amounting to \$774,000, as follows, viz.:

Issued—	
Pittsburgh Cincinnati Chicago & St. Louis Ry. Co. consol. mortgage 3½ p. c. bonds.....	\$2,000,000
Redeemed through sinking funds—	
Pittsburgh Cincinnati Chicago & St. Louis Ry. Co. consol. mort. 3½ p. c. bonds.....	\$417,000
Jeffersonville Madison & Indianapolis R.R. Co. 1st mort. 7 p. c. bonds.....	233,000
	\$650,000
Purchased and canceled—	
Columbus & Indianapolis Central Ry. Co. first mortgage 7 p. c. bonds, due Nov. 1, 1904.....	105,000
Columbus & Indianapolis Central Ry. Co. 2d mort. 7 p. c. bonds, due Nov. 1, 1904.....	14,000
Jeffersonville Madison & Indianapolis R.R. Co. 2d mort. 7 p. c. bonds, due July 1, 1910.....	5,000
	774,000
	\$1,226,000

## SINKING FUNDS.

Under the provisions of the Sinking Fund established for the redemption of the First Mortgage 7 per cent bonds of the Jeffersonville Madison & Indianapolis Railroad Company, one of the constituent organizations of the Pittsburgh Cincinnati Chicago & St. Louis Railway Company, \$2,212,000 of those securities were redeemed and canceled to December 31, 1902, leaving \$731,000 outstanding. Consolidated Mortgage bonds of the Pittsburgh Cincinnati Chicago & St. Louis Railway Company, Series "E," 3½ per cent, to the amount of \$417,000 were redeemed under the provisions of the Sinking Fund provided for that purpose, making the total amount of bonds secured by the Consolidated Mortgage redeemed and canceled to December 31, 1902, \$876,000.

## PERCENTAGE OF OPERATING EXPENSES TO GROSS

EARNINGS.		Comparison with 1901.	
	1902.	Inc. or dec.	
All lines directly operated.....	75.42	I. 3.92	
Lines operated under their own organizations.....	73.63	D. 1.64	

## TONNAGE.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	29,665,820	I. 3,689,817	I. 13.77
Lines operated under their own organizations.....	3,045,082	I. 735,221	I. 31.83

## TONNAGE MILEAGE.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	2,859,256,141	I. 130,839,154	I. 4.80
Lines operated under their own organizations.....	59,488,526	I. 8,880,800	I. 17.55

## \* FREIGHT TRAIN MILEAGE.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	9,288,016	I. 204,180	I. 2.25
Lines operated under their own organizations.....	354,984	I. 32,839	I. 10.19

## AVERAGE EARNINGS, EXPENSES AND NET EARNINGS PER MILE.

	Per ton mile.	Comparison with 1901.	Per ct. of inc. or dec.
	1902.	Inc. or dec.	
All lines directly operated.....	0.84	I. 0.02	I. 2.4
Lines operated under their own organizations.....	0.51	I. 0.05	I. 17.5
	0.13	D. 0.03	D. 5.1
	1.41	I. 0.08	I. 5.9
	1.02	I. 0.04	I. 4.0
	0.39	I. 0.04	I. 10.3

## PASSENGERS.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	9,712,527	I. 1,245,079	I. 14.70
Lines operated under their own organizations.....	601,625	I. 40,054	I. 7.13

## PASSENGER MILEAGE.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	276,860,737	I. 29,593,172	I. 11.97
Lines operated under their own organizations.....	9,709,589	I. 1,445,454	I. 17.49

## \* PASSENGER TRAIN MILEAGE.

	1902.	Comparison with 1901.	Per ct. of inc. or dec.
All lines directly operated.....	6,615,136	I. 711,653	I. 12.05
Lines operated under their own organizations.....	338,641	D. 1,321	D. 0.39

## AVERAGE EARNINGS, EXPENSES AND NET EARNINGS PER MILE.

	Per pass. mile.	Comparison with 1901.	Per ct. of inc. or dec.
	1902.	Inc. or dec.	
All lines directly operated.....	2.06	I. 0.07	I. 3.4
Lines operated under their own organizations.....	1.96	I. 0.07	I. 3.5
	0.10	D. 0.10	D. 1.0
	2.26	I. 0.27	I. 12.0
	2.30	D. 0.17	D. 7.4

\* Note.—Train mileage represents mileage of freight trains and passenger trains only—all shifting and work-train mileage being excluded.

## PITTSBURGH CINCINNATI CHICAGO &amp; ST. LOUIS RAILWAY.

Main Line, including Steubenville Extension Penn. RR. (123 miles).....	943.41 miles
Branches.....	181.00 "
Line used jointly with other companies.....	59.47 "
Total.....	1,183.97 miles
EARNINGS—	
Freight.....	16,144,910 02
Passenger (miscellaneous).....	4,597,713 01
Express.....	621,243 57
Mail.....	811,384 61
Rent of railway, etc.....	28,291 14
Rent of other property.....	42,911 68
Miscellaneous.....	231,934 61
Totals.....	22,610,557 03
EXPENSES—	
Main of way and struct.....	2,827,408 49
Maintenance of equipment.....	4,287,029 28
Conduct transportation.....	8,195,087 15
General expenses.....	441,472 80
Taxes.....	803,862 23
Totals.....	16,904,869 90
Expen. per mile of road.....	14,523 46
Ratio of expen. to earn.....	74.77%
NET EARNINGS.....	5,705,687 13
To which add:—	
Interest, general acct.....	12,770 53
Dividends and interest on securities.....	58,272 40
	71,042 93
Total.....	5,776,730 06

There were transported during the year 21,660,060 tons, as against 19,147,097 tons in 1901, an increase of 2,512,963 tons, or 13.12 per cent. The largest items of increase were bituminous coal, coke, stone, and bar and sheet metal; and the largest items of decrease were grain and anthracite coal.

There was an increase in freight earnings of \$1,298,099.21 or 8.74 per cent. The average earnings per ton per mile were 6.2 mills, an increase of 3.33 per cent, as compared with 1901; the average cost per mile increased 4 mill, making a decreased profit of 2 mill, or 13.33 per cent.

There were 7,246,108 passengers carried, as compared with 6,375,436 in 1901, an increase of 870,682, or 13.66 per cent, and the passenger mileage increased 11.83 per cent. The average rate received was the same as last year, while the average cost increased 0.10 cents, or 5.49 per cent, and the net profit per passenger per mile decreased a corresponding amount.

The motive power and equipment were fully maintained. Sixty-eight new locomotives were received during the year, forty-three to replace numbers made vacant and twenty-five as additional equipment. There was also one second-hand locomotive received to fill vacancy. In the entire passenger car equipment, thirty vacancies were created, to replace which twenty-five new cars were received and two coaches were converted into combined cars, together with five coaches, two café cars and six postal cars as additional equipment. The authorized equipment was increased twenty-five numbers on December 31st; these remained unfilled on December 31st, but their construction has been arranged for. There were 484 freight and 64 cabin cars built to replace 540 cars destroyed during the year and to fill vacant numbers at the beginning thereof. Twenty-four additional cabin cars were received during the year and twenty-two cabin cars were authorized, but remained unfilled at December 31st. Arrangements have been made for the construction of 1,000 box and 4,200 gondola cars, under the usual Car Trust arrangements, of which 554 box and 663 gondola cars were in service on December 31st.

There were 16,500 tons of new steel rails and 497,563 cross-ties used in renewals during the year, and 8,711 tons of new and partly worn steel rails and 178,584 cross-ties used in the construction of new sidings, yard and other tracks.

The reconstruction of Bridge No. 1, over the Monongahela River, mentioned in last year's report, is still in progress. The masonry work is completed and the superstructure will be finished during the year 1903.

The third and fourth tracks between P. V. & C. Ry. Junction and Sheridan, which have been in course of construction for almost three years, were completed and placed in service late in the year.

The third and fourth tracks between McDonald and Midway were completed and put in service in December, and work has been started on a further extension westwardly to Bulger.

An eastward freight running track from Tunnel No. 4, at Dinamore, to "RS" Tower, east of Burgettstown, is in course of construction; also a similar track from Colliers to Bridge No. 34, west of Hanlin, which is nearing completion.

An eastward freight running track from Wheeling Junction to New Cumberland Junction is in course of construction, as well as a westward siding between Third Avenue Extension, Steubenville, and Mingo Junction.

Between Morgan Run and Coshocton the construction of 3.53 miles of third and fourth tracks is well under way.

A new westbound yard was constructed at Dennison, east of the old yards.

The steel bridge over Big Walnut Creek, east of Columbus, Ohio, on the Columbus & Newark Division, is being replaced by three 85-foot double-track stone arches.

The second track between Hayden and Unionville, mentioned in last year's report, was completed August 4th.

The improvements at the Columbus Shops consist of a new forty-one stall engine house, of which twenty-seven stalls are completed, the remaining fourteen being well under way; a new power house, which is completed and the boilers in use; a new erecting shop, new flue and flange shop, paint-storage house, oil house, sand house, two extensions to the machine shop and extension to passenger-car paint shop, which are all well under way.

A new yard east of Cleveland Avenue, Columbus, Ohio, having a capacity of 270 cars, was practically completed on December 31st.

The grade east and west of Deerfield, Indiana, from Mile Post 113 to Mile Post 116, was reduced to .3 per cent, and is a continuation westwardly of the work completed in 1900. The work of raising the track and making second track fill was in progress from August 14th to November 14th. In connection with this work two-pile trestles were replaced with stone arches of fifteen and twenty-foot spans.

The work of reducing the grade west of Marion, Indiana, to a .3 per cent grade, 2.5 miles in length, was commenced March 10th, the final cut being completed on December 29th. The cut was 12,300 feet long, the main track being lowered a maximum of 14.8 feet at the crest of the hill. In connection with this work a pile trestle over Bootes Creek was replaced by a fifteen-foot stone arch. Three grade crossings will be replaced by overhead crossings.

The change in grade at Lorée was completed on June 23d. The grade at this point was reduced from a maximum of .51 per cent to .3 per cent, a distance of 1,900 feet.

In February authority was granted for change of grade and the construction of second track from Onward to Anoka, work being commenced on April 21st and completed November 1st. The grade was reduced from a maximum of .64 per cent to .3 per cent, a distance of 4,700 feet. The main track was lowered a maximum of 2.4 feet at the summit of the old grade and raised a maximum of 4.8 at the foot of the old grade. The work of laying sidings was begun August 7th and completed before the laying of the second track began. The east-bound lap was extended eastwardly 2,182 feet and westwardly 704 feet; the west-bound lap was extended eastwardly 3,001 feet and 2,301 feet of the old siding were taken up. Two storage or filling-out tracks were built, one 1,940 feet and the other 1,757 feet in length. The east end of the second track is governed by an interlocking plant of thirteen levers, which was completed on November 6th.

The improvement of the Southside Yard at Logansport was commenced in March and the work was well under way at the close of the year, 37,200 of the 46,980 cubic yards of filling having been completed. Seventeen out of the thirty-three turnouts and 26,663 out of the 34,400 feet of track have been finished. Four receiving tracks, each with a capacity of ninety cars, and two classification tracks, having a capacity of 132 cars, have been constructed. The scales, scale hump and five tracks in the gridiron are about complete.

The work of changing the old yard at Logansport to conform to changes in roundhouse and coal-dock facilities, authority for which was granted in October, was commenced during that month. The new coach and shop tracks have been completed; also the new "Y" track and Maintenance of Way Equipment track. Work on the new oil house has been commenced and the foundation for it about completed.

The work of construction of second track from Boone to Thornhope, of new west-bound passing siding and storage track at Boone, and extension of passing sidings at Thornhope, was commenced March 23d, and tracks were placed in service November 4th.

Work on the construction of double track from Hartsdale to Lansing, authorized in February, has been delayed on account of inability to secure new rails. The grading for this work was completed on November 30th, and the track work was well under way at the close of the year.

The grading for the double track from Peoria Junction to Kennett was commenced November 1, and completed December 30, and the work of laying the track is now in progress.

The bridge over the Whitewater River, at Richmond, Indiana, is being rebuilt.

A new freight house was constructed at Grant Street, Pittsburgh, during the year, greatly improving the facilities for handling Pittsburgh business. It is a two-story brick and steel building, provided with driveways for teams to each floor.

A new passenger station, with train sheds and platforms, was completed at Richmond, Indiana, during the year, and a new freight station with platforms and unloading tracks was also constructed at that point.

New interlocking plants were installed at Union Station and Point Bridge, Pittsburgh; East of Colliers; at Hayden, Onward and Boone, and at Twelfth Street, Chicago.

## LITTLE MIAMI RAILROAD.

Main Line.....	119.35 miles
Xenia and Springfield Branch.....	19.31 "
Dayton and Western Branch.....	58.34 "
Cincinnati Street Connection Tracks.....	2.49 "

Total..... 194.49 miles

EARNINGS—	1902.	1901.	Inc. or Dec.
Freight.....	1,686,853 98	1,550,662 04	I. 136,191
Passenger.....	731,290 89	688,009 54	I. 43,281
Passenger (miscellaneous).....	17,980 70	15,538 89	I. 2,441
Express.....	110,043 22	100,520 18	I. 9,523
Mail.....	110,527 83	109,401 42	I. 1,126
Rent of railway, etc.....	96,901 26	81,557 04	I. 15,344
Rent of other property.....	5,197 15	4,756 21	I. 440
Miscellaneous.....	21,018 70	16,653 67	I. 4,365

Total..... 2,769,813 70 2,567,098 93 I. 202,714

Earnings per mile of road..... 14,426 11 13,370 31 I. 1,055

EXPENSES—	1902.	1901.	Inc. or Dec.
Maint. of way and structures.....	421,618 02	393,383 22	I. 28,234
Maint. of equipment.....	502,224 02	393,237 57	I. 108,986
Conducting transportation.....	1,221,454 84	1,036,799 40	I. 184,655
General expenses.....	58,588 97	44,534 21	I. 14,054
Taxes.....	109,704 09	88,630 71	I. 21,073

Total..... 2,313,589 93 1,961,595 17 I. 352,004

Expenses per mile of road..... 12,049 95 10,216 59 I. 1,833

Ratio of expenses to earnings.. 83.63% 76.41% I. 7.12%

NET EARNINGS..... 456,223 77 605,513 79 D. 149,290

Add:—

Miscellaneous income..... 108,333 93 118,264 09 D. 9,930

564,557 70 723,777 88 D. 159,220

Deduct:—

Rent of road..... 656,626 56 656,626 56

Loss..... 92,068 86 61,852 68 D. 159,220

The earnings increased \$202,714 74, or 7.90 per cent, and the expenses \$352,004 76, or 17.94 per cent; the net earnings showing a decrease of \$149,290 02, or 24.65 per cent.

The tonnage transported increased 225,572 tons, or 9.27 per cent, and the ton mileage increased 10,342,000, or 5.49 per cent. The principal items of increase in classified tonnage were lumber, pig and bloom iron, cement, brick and lime and miscellaneous manufactured articles; while there were decreases in the tonnage of iron and steel rails, anthracite coal and live stock. The average earnings per ton per mile were 8.1 mills, an increase of 2.53 per cent as compared with last year, and the average cost increased .3 mill, or 14.04 per cent, the net profit being 1.6 mills, a decrease of .6 mill, or 27.27 per cent. The number of passengers increased 6.63 per cent, and the passenger mileage 7.73 per cent. The average earnings per passenger per mile were 1.86 cents, a decrease of .02 cent, or 1.06 per cent. The average cost per passenger per mile increased .18 cent, or 7.93 per cent, leaving a net loss per passenger of .50 cent.

The motive power and equipment were fully maintained. Two new and four second-hand locomotives were received to replace vacancies created during the year. Five passenger cars were received from the P. C. C. & St. L. Ry. Co. to replace like vacancies. There were thirty freight cars built to replace twenty-nine cars destroyed during the year and to fill vacancies at the beginning thereof; also, two additional cabin cars were received and one additional cabin car is in course of construction.

There were 3,486 tons of new steel rails and 86,060 cross-ties used in renewals, and 534 tons of new and partly worn steel rails and 12,888 cross-ties used in the construction of sidings and other tracks.

The bridges were fully maintained. The bridge over the Scioto River west of Columbus is being renewed for double track.

INCOME ACCOUNTS OF COMPANIES IN THE PITTSBURGH CINCINNATI CHICAGO & ST. LOUIS RAILWAY COMPANY SYSTEM OPERATED UNDER THEIR OWN ORGANIZATIONS.

FOR THE YEAR ENDING DECEMBER 31, 1902, AND COMPARISON WITH THE YEAR 1901.

Mileage.	Gross Earnings.	Operating Exp's, incl'd'y Taxes.	Net Earnings.	Other Income.	Gross Income.	Interest and other Charges, including Extraordinary Expenditures.	Net Income.	Dividends.	Surplus or Deficit.	Increase or Decrease.
148.45 Cincinnati & Muskingum Valley RR.....	\$448,257	\$21,882	\$426,375	.....	\$426,375	\$3,387	\$422,988	\$30,087	\$40,000	D. 9,912
10.19 Pitta. Charters & Youngloheny Ry.....	\$343,316	\$208,080	\$135,236	.....	\$135,236	\$2,343	\$132,893	\$2,413	\$8,921	I. 92,409
28.15 Waynesburg & Washington RR.....	\$142,892	\$102,520	\$40,372	\$1,744	\$42,116	\$3,000	\$39,116	\$12,033	\$17,083	I. 2,934

## PITTSBURGH CINCINNATI CHICAGO &amp; ST. LOUIS RAILWAY GENERAL BALANCE SHEET DECEMBER 31st, 1902.

Assets.	
COST OF ROAD, EQUIPMENT, ETC.	
Construction, right of way and real estate.....	\$83,488,043 73
Equipment.....	8,801,545 05
Amount of securities issued in readjustment of funded debt.....	4,087,500 00
Net amount of securities issued since October 1st, 1890, under the plan of reorganization of Columbus Chicago & Indiana Central Railway Company.....	429,348 24
Total cost of road, etc.....	\$96,807,237 02
SECURITIES.	
Securities of other companies.....	1,175,448 30
CURRENT ASSETS.	
Due by other companies.....	\$1,003,964 18
Due by Little Miami Railroad Company for betterments.....	130,976 42
Due on miscellaneous accounts.....	2,967,173 43
Due by station agents and ticket receivers.....	639,062 74
Bills receivable.....	121,500 00
Material on hand.....	1,635,564 16
Cash in hands of Treasurer.....	920,728 31
Cash remitted by agents, in transit.....	328,886 86
Cash deposited with financial agents for interest on bonds.....	255,061 21
Cash in hands of trustee of sinking fund Jeffersonville Madison & Indianapolis Railroad Company first mortgage bonds.....	42,004 02
	8,044,421 28
SINKING FUNDS.	
Pittsburgh Cincinnati Chicago & St. Louis Railway Company consolidated mortgage bonds.....	\$875,187 10
Less bonds redeemed and canceled.....	875,000 00
	187 10
Securities in fund for redemption of Dayton & Western Railroad Company bonds maturing Jan. 1st, 1903.....	317,307 25
Total.....	\$106,344,600 95
Liabilities.	
CAPITAL STOCK.	
Common stock, P. C. C. & St. L. Ry. Co.....	\$24,775,800 00
Common stock, P. C. C. & St. L. Ry. Co. scrip.....	734 14
Common stock, P. C. C. & St. L. Ry. Co.....	26,750 00
Common stock, S. & I. RR. Co.....	80,771 66
Common stock, C. St. L. & P. RR. Co.....	442,267 00
Common stock, J. M. & I. RR. Co.....	5,000 00
	\$25,332,322 80
Preferred stock, P. C. C. & St. L. Ry. Co.....	\$22,698,200 00
Preferred stock, P. C. C. & St. L. Ry. Co. scrip.....	916 02
First preferred stock, S. & I. RR. Co.....	750 00
Preferred stock, C. St. L. & P. RR. Co.....	6,052 62
	22,705,918 64
	\$48,038,241 44

Includes 35 bonds drawn for Sinking Fund on which interest has ceased, but which have not yet been presented for redemption.

Brought forward.....	\$48,038,241 44
FUNDED DEBT.	
Con. Mtg. 4½% bonds, Series "A"—P. C. C. & St. L. Ry. Co., due 1945.....	\$10,000,000 00
Con. Mtg. 4½% bonds, Series "B"—P. C. C. & St. L. Ry. Co., due 1942.....	8,786,000 00
Con. Mtg. 4½% bonds, Series "C"—P. C. C. & St. L. Ry. Co., due 1942.....	1,379,000 00
Con. Mtg. 4% bonds, Series "D"—P. C. C. & St. L. Ry. Co., due 1945.....	\$5,120,000 00
Less 137 bonds in sinking fund.....	137,000 00
	4,983,000 00
Con. Mtg. 3½% bonds, Series "E"—P. C. C. & St. L. Ry. Co., due 1949.....	\$11,575,000 00
Less 738 bonds in sinking fund.....	738,000 00
	10,837,000 00
1st Con. Mtg. 7% coup. bonds, P. C. & St. L. Ry. Co., due 1900.....	3,000 00
1st Mtg. (ext.) 5% reg. bonds, Steubenville & Indiana RR. Co., due 1914.....	3,000,000 00
Con. Mtg. 5% coup. bonds, C. St. L. & P. RR. Co., due 1932.....	1,217,000 00
Con. Mtg. 5% reg. bonds, C. St. L. & P. RR. Co., due 1932.....	289,000 00
1st Mtg. 7% bonds, Union & Logansport Railroad Company, due 1905.....	715,000 00
1st Mtg. 7% bonds, Columbus & Indianapolis Central Ry. Co., due 1904.....	2,335,000 00
2d Mtg. 7% bonds, Columbus & Indianapolis Central Ry. Co., due 1904.....	686,000 00
1st Mtg. 7% bonds, J. M. & I. RR. Co., due 1906.....	\$2,943,000 00
Less 2,212 bonds in sinking fund.....	2,212,000 00
	*731,000 00
2d Mtg. 7% bonds, J. M. & I. RR. Co., due 1910.....	1,970,000 00
	46,931,000 00
DEFERRED LIABILITIES.	
Real estate of Columbus & Xenia RR. Co. at Columbus O., sold to Union Depot Co.....	\$37,298 75
Real estate of Dayton & Western RR. Co. at Dayton, O., leased to Dayton Union Railway Co.....	47,253 00
	\$84,551 75
CURRENT LIABILITIES.	
Accounts payable for current expenditures.....	\$3,122,086 82
Due other companies.....	1,279,632 74
Matured interest on bonds.....	268,208 21
Accrued interest on bonds.....	480,061 24
Miscellaneous liabilities.....	408,383 06
Unclaimed dividends.....	1,242 00
	\$5,559,614 07
SINKING FUNDS.	
Contributions to sinking fund P. C. C. & St. L. Ry. Co. consolidated mortgage bonds.....	\$875,187 10
Sinking fund for retirement of Dayton & Western RR. Co. bonds maturing January 1st, 1903.....	333,690 94
	1,208,878 04
Trustees' sinking fund consolidated mortgage bonds.....	187 10
Dividend of 2% on preferred stock, payable January 15th, 1903.....	453,964 00
Dividend of 1½% on common stock, payable February 16th, 1903.....	371,652 00
Balance to credit of Profit and Loss.....	3,696,512 35
Total.....	\$106,344,600 95

J. W. RENNER, Comptroller.

## GENERAL REMARKS.

The heavy traffic of the past year is reflected in the statistics herein contained, the number of tons handled showing an increase of 4,325,638 tons, or 15·24 per cent. The average rate per ton per mile was 6·6 mills, an increase of 0·3 mill as compared with the preceding year. There was an increase in the cost per ton per mile of 0·5 mill, so that the net rate received was 1·4 mills, as against 1·6 mills in 1901.

The volume and mileage of the passenger traffic both show a gain as compared with 1901, the entire number of passengers carried being 10,314,152, an increase of 14·23 per cent, while the increase in mileage was 12·15 per cent. There was a slight decrease in the net earnings per passenger per mile.

The aggregate revenue of the entire system was \$27,765,821 75, an increase, as compared with 1901, of \$2,533,605 39.

There was charged against income the sum of \$908,661 10 on account of extraordinary expenditures in revision of grades and alignment, steel underframes for freight cars, and other work not properly chargeable to capital account.

After providing for all charges and liabilities, the net earnings were sufficient to provide the regular dividend of 4 per cent on the preferred stock and a dividend of 3 per cent upon the common stock, and leave a balance of \$198,980 04 to be carried to the credit of profit and loss.

The Chartiers Railway showed largely increased gross earnings, and a substantial gain in the net earnings. The second track was extended westwardly from Bridgeville to Boyce, a distance of 3·65 miles, and is now under

construction westwardly to Houston, a distance of 7·15 miles.

The Waynesburg & Washington Railroad, which is controlled by the Chartiers Railway Company, shows increased gross earnings, but the expenses were largely increased on account of washouts and damage to bridges in the floods of July last. The general results, however, were fairly satisfactory.

The Pittsburgh Chartiers & Youghiogheny Railway shows a large increase in both gross and net earnings.

The Pittsburgh Wheeling & Kentucky Railroad also shows an increase in its gross earnings, which was, however, absorbed by a corresponding increase in expenses. The net earnings were amply sufficient to meet all liabilities and provide for the payment of a liberal dividend upon the capital stock.

The Cincinnati & Muskingum Valley Railroad shows increased gross earnings and an increase of 10 per cent in the net earnings.

The Duff Branch of the Ohio Connecting Railway, mention of which was made in the last Annual Report, was completed, with the exception of the west "Y" at the south end of the Ohio River Bridge. Considerable work was done on the eastern connection of this road with the Pittsburgh Ft. Wayne & Chicago Railway in Allegheny and a new double-track western connection, crossing the west-bound main tracks of the Pittsburgh Ft. Wayne & Chicago Railway overhead will be constructed.

In order to take care of the largely increased coal traffic from the mines on your main line and branches, it has been

found necessary to arrange for a new coal-weighing and distributing yard, and a large amount of property on both sides of the Pittsburgh Chartiers & Youghiogheny Railway Company's property, lying between Scully Station and the connection with the Ohio Connecting Railway at Duff's, has been purchased for the Ohio Connecting Railway; plans have been prepared for the yard and the work will be pushed forward rapidly. By the use of this yard the heavy grades on each side of Cork Run tunnel will be avoided, and the congestion incident to the movement of the coal traffic through Sheridan yard will be relieved.

In order to provide in part the funds for these improvements, the capital stock of the Ohio Connecting Railway Company was increased from \$1,000,000 to \$3,000,000.

A double track connection between your line at Rosslyn Station and the Pittsburgh Chartiers & Youghiogheny Railway, near the old lead works has been authorized, and the work will be commenced as soon as the right of way is secured. Arrangements have also been entered into with the Pittsburgh Chartiers & Youghiogheny Railway Company by which your company will construct a track parallel with the main track of that railway from the connection near the old lead works to the Duff Branch of the Ohio Connecting Railway. This track, in connection with the Pittsburgh Chartiers & Youghiogheny track, will be maintained and operated as a double track, and used jointly by your trains and those of the Pittsburgh Chartiers & Youghiogheny Railway Company.

The Western Washington Railroad, connecting with the Chartiers Railway at Houston, Pa., and extending to the mines of the Midland Coal Company, was purchased on January 20, 1902, and is being operated by your Company in connection with the Chartiers Railway.

A further issue of \$2,000,000 of Series "E" 3½ per cent bonds was made to provide funds for the redemption of prior lien bonds and expenditures on capital account.

In view of the general conditions existing in the railway service and the exceptional demands upon the employees, growing out of largely increased traffic, and in consideration of the increased cost of living, a general advance of ten per cent was made in salaries and wages, taking effect November 1, 1902, restricted, however, to employees permanently in the service and receiving less than \$200 per month.

The membership in the Voluntary Relief Department shows an increase of 561 at the close of the year. There were 4,364 accessions to membership and 3,703 members withdrew or left the service. The amount contributed by the members was \$190,704 92, the receipts from interest were \$5,737 55, and the amount contributed by the Railway Company for operating expenses and the payment of extra benefits to members whose disability had continued over fifty-two weeks and who were, therefore, no longer entitled to regular benefits from the fund, was \$33,891, which, added to the balance at the beginning of the year, viz., \$116,042 58, made a total of \$335,966 05. Out of this amount there was paid to

families of members in death benefits and to members for sickness and accident benefits the sum of \$187,830 10 and for operating expenses \$29,612 80, leaving a balance of \$115,423 15, from which should be deducted \$45,005 05 to cover outstanding and unadjusted claims, leaving a surplus of \$72,818 10. During the year there were 8,623 benefits paid, viz.: 8,497 on account of sickness and accident and 126 on account of death.

The following statement gives a summary of the operations of the Pension Department and the result to each of the Companies interested:

	Maximum Annual Allowance.	Total Number of Employees Retired.	Number Receiving Pensions in 1902.	Amount of Pensions Paid.
P. C. C. & St. L. Ry. Co.	\$60,000	225	207	\$43,464 19
C. & M. V. RR. Co.....	2,000	9	9	1,337 65
W. & W. RR. Co.....	500	1	1	87 60
Totals.....	\$62,500	235	217	\$44,889 44

There were 47 employees retired during the year, 38 having reached the age limit of seventy years, and 9 who were between sixty-five and seventy years of age, having been thirty or more years in service, and become incapacitated for further active employment. The number of deaths of pensioned employees which occurred during the year was 7, of whom 5 had reached the age limit and 2 were between sixty-five and seventy years.

In addition to the Departments already inaugurated and maintained by your company for the benefit of its employees, arrangements were made in November last for the establishment of The Employees Saving Fund of the Pennsylvania Lines West of Pittsburgh, to become operative January 2, 1903. The purpose of the new Department is to afford the employees a safe and convenient means by which they may save a portion of their wages. This is somewhat similar to the one which has been in successful operation for some years on the Pennsylvania Lines East of Pittsburgh, and the various Companies operating the Lines West of Pittsburgh have executed an agreement uniting under one common management their respective saving funds. The administration of this joint fund will be in the hands of the Pennsylvania Company, and Mr. S. B. Liggett has been appointed Superintendent of the Fund.

The General Balance Sheet is hereto appended.

The Board desires to acknowledge the efficiency and fidelity of the officers and employees during the past year.

By order of the Board,

A. J. CASSATT,

President.

## NATIONAL RAILROAD COMPANY OF MEXICO.

### FIRST ANNUAL REPORT—FOR THE YEAR ENDING DECEMBER 31, 1902.

#### NATIONAL RAILROAD COMPANY OF MEXICO.

MEXICO OFFICE:  
PASEO DE LA REFORMA.

NEW YORK OFFICE:  
1 NASSAU STREET.

MARCH 27, 1903.

#### To the Stockholders:

The National Railroad Company of Mexico was organized under the laws of the State of Utah on the 24th day of February, 1902, for the purpose chiefly of taking over all the properties of The Mexican National Railroad Company, whose affairs were then undergoing a readjustment under the auspices of Messrs. Speyer & Company and Messrs. Kuhn, Loeb & Company of New York, and Messrs. Speyer Brothers of London, as Readjustment Managers.

All the properties of The Mexican National Railroad Company in Mexico, including all its other assets and liabilities, were transferred to your Company by a deed made effective by registration in Mexico on the 10th day of April, 1902, but the transfer was made to be effective from the first of January preceding. Therefore, technically speaking, you assumed possession and responsibility from that date and have operated the properties during the entire calendar year, which is also the fiscal year of your Company.

The old books of The Mexican National Railroad Company were closed and the books of your Company opened as of April 30, 1902, under the direction of Price, Waterhouse & Company, of New York and London, Chartered Accountants. Also, the accounts of the Readjustment Managers were audited by that firm in connection with the Comptroller of this company and by them taken up by appropriate entries upon our books. The audit of these accounts established the fact of the compliance on the part of the Readjustment Managers with the terms of the readjustment agreement and verified vouchers corresponding

to the disbursements made by them for account of expenses involved in carrying out said plan.

In "Cost of Property," as shown in the Comptroller's accounts, is included the Mexican Government subsidy bonds which fell to your company as an asset in the readjustment. These bonds have been sold since December 31st last, netting \$1,881,890 28, which will reduce "Cost of Property" and increase your available funds by that amount.

With the exception of the Guanajuato San Luis de la Paz y Pozos Railway, which you owned prior to taking over The Mexican National properties, and the Vanegas Cedral & Matehuala Railroad, purchased by your Board and taken over on the 9th of October, 1902, this report covers the same properties as those operated by the Mexican National Railroad Company. Therefore a comparison of the year's operations with that of The Mexican National during the year previous is submitted in the tabulated statements of earnings and expenses.

The gross earnings from all sources for the year in Mexican currency have been.....\$9,262,859 61  
The total expenses of operating have been.....8,048,684 97

Net earnings.....\$3,214,175 54  
Which, reduced to gold at the average price of the Mexican dollar for the year, namely 41-3614 cents, gives...1,329,428 38

The report of the Comptroller herewith published gives the result of the operation of the lines in detail and the present financial condition of the Company. In addition to the comparison with last year, which will be found in the statements of the Comptroller, the following statement gives a comparison with the previous year in many other essential details of operation:

Average miles operated.....1,349,74  
Average miles operated last year.....1,323,33

## ALL DIVISIONS.

	Mexican Currency.
Gross earnings.....	\$9,262,859 81
Gross earnings last year.....	7,724,526 40
Increase in gross earnings.....	\$1,538,333 21
Cost of working the line.....	\$6,048,684 07
Cost of working the line last year.....	4,801,333 25
Increase in working expenses.....	\$1,247,350 82
Net over actual working expenses.....	\$3,214,175 54
Net over actual working expenses last year.....	2,923,193 15
Increase in net over actual working expenses.....	\$290,982 39
Percentage of gross earnings for working road.....	65.30
Percentage of gross earnings for working road last year.....	62.16
Increase in working percentages.....	3.14
Number of miles run by all revenue trains.....	3,755,134
Number of miles run by all revenue trains last year.....	3,293,364
Percentage of increase in mileage.....	14.02
Gross earnings per revenue train mile.....	\$2.4067
Gross earnings per revenue train mile last year.....	2.3455
Percentage of increase per mile run.....	5.17
Operating expenses per revenue train mile.....	1.6108
Operating expenses per revenue train mile last year.....	1.4579
Percentage of increased expense per mile.....	10.49
Net earnings per revenue train mile.....	.8559
Net earnings per revenue train mile last year.....	.8876
Percentage of decrease.....	3.57
Gross earnings per mile of road operated.....	\$6.862 70
Gross earnings per mile of road operated last year.....	5.837 23
Percentage of increase.....	17.57
Operating expenses per mile of road operated.....	\$4.481 37
Operating expenses per mile of road operated last year.....	3.628 25
Percentage of increase.....	23.51
Net earnings per mile of road operated.....	\$2.381 33
Net earnings per mile of road operated last year.....	2.208 98
Percentage of increase.....	7.80

The heavy decline in the price of silver since the beginning of the year under report has greatly reduced the net gold income of your Company from what it would have been under the conditions that have prevailed in Mexico during the past several years. To illustrate this, it may be pointed out that, with exchange at the rate that existed during the year in which the plan of readjustment of The Mexican National Railroad Company was put out by the Readjustment Managers, the net revenue account would have been approximately \$563,000 gold more than the result actually attained.

Naturally, the low price of silver affects the Company, not only to the extent of converting its surplus Mexican earnings into gold for distribution to the bond and stockholders, but it effects very largely the cost of operating the property as expressed in Mexican currency in consequence of such a large proportion of the operating expenses consisting of the purchase of materials abroad which are paid for in gold, and is again reflected in the conversion of the excess of assets over liabilities in Mexico on the last day of the year, this conversion having been made for the year under report at the actual rate of December 31-260.

In addition to these causes which have operated to limit the increase in net earnings to \$290,000 out of a gross increase of \$1,500,000, and to raise the percentage of operating expenses from 62.16 in 1901 to 65.30 in 1902, it may be explained that the increase in the price of all material that enters into the cost of operating a railway and the increased cost of labor have operated against us as they have against all other roads in Mexico and the United States. Also, about half the gross increase over last year was derived from the construction material required in our present undertakings, which, being at a rate but little, if any, above the cost of carriage, naturally reduced what would otherwise have been the proportion of net to gross increase and raised correspondingly the percentage of gross earnings required for operating.

The Mexican Government have under consideration questions relating to a readjustment of the currency of the country, and it is believed that a solution will be found by which the stability of exchange will be secured. If this is accomplished at an early day the commercial and industrial affairs of Mexico will soon adjust themselves thereto and the extraordinary progress which that country has been making for so many years past will be resumed, or, to speak more accurately, will continue, with little or no interruption. In the meantime, a petition is pending before the Mexican Government supported by all the railway lines in the country asking for authority to establish a sliding scale of transportation rates which will automatically cover the fluctuations in the price of silver and in a measure protect the companies pending the inauguration of some broad and permanent basis for the country's monetary system.

When the plan of readjustment for The Mexican National Railroad Company which made it possible for you to take over its properties and provide funds for changing the

gauge of the International line was declared operative, steps were immediately taken to proceed with the work. The work involved was the changing of the gauge of the narrow-gauge line from Corpus Christi, in Texas, to Gonzalez (junction point between Soria and Chamacero), on the Mexican line, 233 miles north of the City of Mexico, and the changing of the gauge of the El Salto line from the City of Mexico to Huehuetoca, 80 miles from said city, and the construction of a new broad-gauge cut-off from Huehuetoca to Gonzalez, 166.5 miles. This cut-off shortens the international line from the City of Mexico to the northern frontier 36 miles, and avoids the heavy gradients lying between the City of Mexico and Gonzalez, and which were impossible to remedy in the existing line. It was always the intention of the original company which promoted the building of the Mexican National lines to extend the El Salto Branch to a junction with the main line, cutting off distance and avoiding the heavy gradients above referred to. A survey of the proposed cut-off demonstrated the advisability of deflecting from the El Salto Branch at Huehuetoca, twelve miles from its northern end, and the piece of track beyond Huehuetoca being thus thrown out of use has been abandoned and removed under the consent of the Government.

The standard-gauge line will, of course, take all the international traffic and all the traffic originating north of Gonzalez, which will give the necessary relief to the southern end of the old narrow-gauge line, which had already reached a volume of traffic that pressed upon the capacity of the narrow-gauge road to handle with economy.

When the work was undertaken it was expected that two years would be required to complete it, the limitation being the time required to accumulate rails and rolling stock and the completion of the cut-off line between Huehuetoca and Gonzalez. It is expected to fulfill this estimate. The report of Mr. E. N. Brown, Vice-President and General Manager, in charge of the work in Mexico, is published herewith and you will find in it a full statement of the progress of the work up to the 28th of February of the present year.

In addition to the large volume of construction material thrown upon the line to meet the requirements of the work in hand, there has been a large increase in commercial traffic. This heavy volume of traffic, coming in the midst of the work of changing the gauge on the Northern Division, and a strike of the firemen on the Northern and Texas Divisions of the line, which occurred in October, seriously hindered the prompt handling of the traffic from that time until about the middle of January last. Beyond this no serious difficulties have been encountered, and the work may be said to be progressing in a very satisfactory manner, with the prospect, as stated in the Vice-President's report above referred to, of completing the whole by the 1st of September next.

When the new line between Huehuetoca and Gonzalez is completed, the mileage of your track will be as follows:

## STANDARD-GAUGE SYSTEM.

Texas Mexican Railway controlled through ownership of all its securities, Corpus Christi to Laredo.....	161-020
International line from Laredo to Santiago Station, City of Mexico.....	509-311
City of Mexico; Colonia Station to Tacuba, three-rail track.....	2-979
Cintura Line, three-rail track.....	3-293
Total standard-gauge line.....	970-203

## NARROW-GAUGE SYSTEM.

City of Mexico to Uruapan.....	320-826
Acambaro to Gonzalez.....	54-959
Vanegas Cedral & Matehuala.....	37-262
Guanajuato San Luis de la Paz y Pozos.....	31-441
Michoacan & Pacific (Leased Line).....	86-927
Total narrow-gauge lines.....	501-435

Total mileage, both standard and narrow-gauge system...1,471-638

There is not included in the above the narrow-gauge line from Matamoros to San Miguel de Tamaulipas, 75 miles, and the Brownsville & Gulf Railway, one mile. We have a very favorable concession from the Mexican Government for the building of the line from San Miguel to Monterey, which it is proposed to construct standard-gauge and in connection therewith broaden the gauge of the existing line between Matamoros and San Miguel, which will make the total distance from Matamoros to Monterey approximately 222 miles.

Also, it does not include the mileage of The Mexican International Railroad Company, 880 miles, control of which was acquired by the Readjustment Managers in the exercise of the right reserved to them in the plan of readjustment. The property acquired was \$15,786,100 of the capital stock of the Company out of a total issue of \$30,708,200 and \$4,499,000 Income Bonds (being the total issue of Income Bonds), which was paid for through the issue of \$7,000,000 Preferred Stock and \$7,000,000 four per cent Consolidated Bonds of this Company, as provided for in said readjustment plan. By reference to the Net Revenue Account you will see that this Company has received 4 per cent interest on the Income Bonds of The Mexican International Railroad for 1903.

A detailed report of the operations of that Company will be put out by its own management and is therefore not included in this report.

By order of the Board,  
W. G. RAOUL, President.















## News Items.

**Galveston, Texas.—City Commission Unconstitutional.**—The State Court of Criminal Appeals on March 25 handed down an opinion declaring unconstitutional the provision of the city charter providing for a board of five commissioners (which board constitutes the municipal government of Galveston), and declaring null and void all the acts of this board. The decision is based on the ground that the provision in the Act providing for the appointment by the Governor of three of the five Commissioners is unconstitutional. The Court holds (with Justice Brooks dissenting) that the principle and guaranty of local self-government is against municipal officers being appointed by the Governor or the Legislature; that especially must a legislative body be an elective and not an appointive body, and that the Galveston Commission is essentially a municipal legislative body.

The appellant in the case was convicted in the Recorder's Court of Galveston and fined \$25 for violating an ordinance passed by the Board of Commissioners, and failing to pay the fine was committed to jail. Heened out a writ of habeas corpus before the Criminal District Court of Galveston County, and after a hearing was remanded to the custody of the Sheriff until such fine and costs should be paid. From this judgment the applicant took an appeal to the State Court of Criminal Appeals, which handed down the opinion above referred to. It is stated that the present charter will be so amended that all five of the Commissioners shall be elected by the people, and that the new board, when so elected, will ratify the acts of the old board.

**New Jersey.—McKee Act Constitutional.**—The State Supreme Court on March 30 sustained the constitutionality of what is known as the McKee Act. This law was attacked on the ground that the classification in the Act (one of cities and another of municipalities other than cities) was special legislation and therefore unconstitutional. The case was that of Riccio against the City of Hoboken, which city had authorized the issuance of \$180,000 bonds under the law for a school house.

**Legislature Adjourns.**—The State Legislature adjourned on April 2.

**New Orleans, La.—Bond Issue Valid.**—The suit brought to determine the validity of the \$12,000,000 water and sewer bonds authorized by the constitutional amendment adopted in 1899 was on March 18 decided in favor of the bonds by Judge T. C. W. Ellis of the Civil District Court for the parish of Orleans. As stated in the CHRONICLE March 7, page 554, the suit was a friendly one brought to test the validity of the joint resolution adopted by the Legislature in 1899, submitting to a vote the amendment to the Constitution above referred to, it being contended that the bill was not read in full on three separate days, being read in full only once in the Senate and twice in the House, and the title only on the other days. It is stated that the case will be taken to the Supreme Court.

**New York State.—Savings Bank Investments.**—The amendment to the savings bank investment law recently introduced by Mr. Hanford (Assembly Bill No. 1,090) has passed the House. This bill, as stated last week, amends Subdivision 4, Section 116, of the banking law by including interest-bearing obligations of any "town or village" of this State, in addition to such obligations of any city or county now allowed.

**Santa Cruz, Cal.—Bond Compromise.**—The following is taken from the San Francisco "Chronicle":

SANTA CRUZ, March 30.—The refunding bond matter has been compromised, an agreement having been reached in San Francisco yesterday between F. A. Hihn, representing the Citizens' Committee, composed of C. Hoffman, Duncan McPherson, W. D. Storey, E. H. Garrett, H. F. Kron and J. McNeil, and William Thomas, representing the bondholders. The negotiations had been in progress for several months. In order to bind the agreement \$10,000 was advanced by Hihn. The agreement is to pay \$307,000 for the bonds, which is \$1,000 plus the face value of 200 bonds, and less the accrued interest to date, which runs from 1894.

Thomas on his part agrees to deposit in the Donohoe-Kelly Bank of San Francisco within ninety days the bonds and coupons, to assign the judgment against the city and to dismiss all litigation. Through the compromise the city has gained \$187,000, which represents interest. The money to redeem the bonds is already provided for by the local banks and heavy taxpayers.

It is also proposed to purchase all of the original water bonds and refund both issues and reduce the interest from 5% to 4%, which will effect a great saving. Already \$9,000 of the original bonds have been purchased, leaving but \$23,000 outstanding. There is much satisfaction expressed over the settlement. The refunding bond case is part of the municipal history of California. The bonds were taken away and not a dollar was received for them. The case was fought up to the United States Supreme Court, which decided in favor of their validity.

See STATE AND CITY SUPPLEMENT for October, 1902, p. 149.

**Superior, Wis.—Letter to Bondholders.**—The Common Council has drawn up a letter to the holders of this city's bonds, putting forth the situation as it stands at present relative to the outstanding bonds. From this letter, signed by Thos. E. Lyons, City Attorney, we find that a bill has been introduced in the State Legislature which authorizes the city to refund its indebtedness to the full extent allowed by the Constitution. In the meantime the city desires to use about \$100,000 now in the sinking fund for the purchase of outstanding bonds, if favorable offers are made, and to this end invites tenders for the purpose. The outstanding bonds are stated to be: General bonds, \$638,500; street-improvement bonds, \$587,987 31; sewer-improvement bonds, \$54,520 97, and bonds in the sinking fund, \$110,000—a total of \$1,856,988 28. This amount is exclusive of accrued interest and of strictly special bonds. The assessed valuation for 1902 was \$18,209,630 and the 5% of valuation (limit of debt) is, therefore, \$910,481. The circular letter in referring to above bond issues states that those issued by the city for general purposes are generally regarded as void, because no

direct annual tax was levied or sinking fund provided for their payment at the time of their issue, as required by Section 8 of Article 11 of the State Constitution. These bonds are therefore technically invalid and cannot be enforced. The city, however, recognizes that there is a moral and perhaps legal liability for the consideration originally received. As to the improvement bonds, the Supreme Court of Wisconsin holds that they are not a general city liability and are payable only from assessments, and that the city has no power to issue general bonds for street improvements. The city's liability, therefore, is limited to the assessments collected on each improvement. If the Federal Court should hold these improvement bonds a general city liability in further litigation, the result would be to place the bonds beyond the constitutional limit at the time of their issue and render them wholly invalid.

The object of offering to expend the money now in the sinking fund in the retirement of bonds "is to reduce the city's indebtedness so as to bring it as nearly as possible within its capacity to pay or to take care of by the issue of refunding bonds. The city proposes to use both its credit and its assets to meet its obligations as far as it can under the Constitution and law, but there is a limit beyond which it cannot go and within which any taxpayer can confine it."

These improvement bonds have been the subject of much litigation, reference to which has been made in the CHRONICLE from time to time.

**Virginia.—West Virginia Debt Settlement.**—An advertisement recently appeared concerning the amendatory and supplemental plan for the settlement of the West Virginia debt. The essential points in this proposition are as follows: On the 18th of September last the Debt Committee, of which Mr. John Crosby Brown is Chairman, duly notified the Virginia Commission that more than the required amount of deposits had been received. The committee thereupon entered into a contract with the Commission in which it was stipulated that the deposited certificates should, for a period of three years, be held subject to the control of the Commission upon their agreeing to enter into negotiations with the State of West Virginia for the purpose of effecting a settlement of the question, all such negotiations with West Virginia to be subject to the approval of the Attorney-General of Virginia, in accordance with the authority granted in the Act passed by the General Assembly of Virginia on the 6th day of March, 1900. Whatever should be realized as a result of such negotiations was to be accepted in full settlement of the certificates on deposit. This contract was duly approved by the Attorney-General of Virginia on the 20th of September, 1902.

For the carrying out of this contract the powers delegated in the original plan were sufficiently amended to meet present requirements. It was further stipulated that when a settlement was reached, the amount realized, after deducting proper charges and expenses, was to be apportioned and distributed among the different certificate holders, in accordance with such percentages as should be determined upon as just and equitable. The basis of this distribution was to be arrived at by one member of the committee, one member of the Advisory Board and a third person to be chosen by these two. The distribution can be made in securities or cash, dependent upon the terms of the settlement with the State. This amended plan was also advocated by the Advisory Board, consisting of the following: George G. Williams, President of the Chemical National Bank; Hon. William Pinkney Whyte of Maryland; Hon. Wayne MacVeagh, Attorney-General under President Cleveland; Hon. Lyman J. Gage, Secretary of the Treasury under President McKinley.

## Bond Proposals and Negotiations this week have been as follows:

**Akron, Ohio.—Bond Sale.**—On March 28 the \$25,000 5-9-year (serial) market-house bonds described in V. 76, p. 554, were awarded to Denison, Prior & Co., Cleveland, and Boston, at 100-53.

**Alexander County (P. O. Cairo), Ill.—Bonds Voted.**—The following appeared in the St. Louis "Globe-Democrat" of March 24:

The matter of new bonds to settle a judgment secured in the United States District Court against Alexander County was settled Saturday by voting for new 30-year 5% bonds in the sum of \$48,000 by a large majority. The bonds will be payable twenty years from their date at the First National Bank of New York. The judgment which this will satisfy represents all that remains of the county debt of thirty-one bonds for \$1,000 each of the bonds issued by the county in 1872 to the Cairo & Vincennes Railroad Company and 789 coupons of \$40 each due on the said thirty-one bonds. When this judgment is taken up with the bonds or otherwise settled, the county will be relieved from further trouble and vexation by suits and mandamus proceedings arising from the railroad debt it incurred in 1872. Besides the terms on which the judgment was entered, it provides for the saving to the county of the sum of \$6,000 if the judgment shall have been paid or settled on or before July 10, 1903.

**Athens, Ga.—Bond Offering.**—Proposals will be received until 12 m., April 7, by J. F. Rhodes, Mayor, for \$50,000 4% 30-year gold city-hall bonds. Securities will be delivered to purchasers on June 1, 1903.

**Attica, N. Y.—Bond Election.**—At the spring election the question of issuing \$6,000 electric-light-plant bonds will be submitted to the electors of this village.

**Barnesville, Ohio.—Bond Offering.**—Proposals will be received until 12 m., April 15, by E. M. Wilkes, Village Clerk, for the following bonds:

\$4,800 4½% Broadway Street improvement bonds, maturing one bond for \$600 on July 1, 1904, and one bond for \$900 each year from July 1, 1905, to July 1, 1915, inclusive.  
\$4,200 4½% Church Street improvement bonds, maturing one bond for \$600 on July 1, 1904, and one bond for \$900 each year from July 1, 1905, to July 1, 1915, inclusive.







## Financial.

# THE WESTERN NATIONAL BANK OF THE UNITED STATES IN NEW YORK

AT THE NORTHWEST CORNER OF NASSAU AND PINE STREETS.

CAPITAL	V. P. SNYDER, President Richard A. McCurdy, Vice-President James H. Hyde, Vice-President Thomas F. Ryan, Vice-President Henry A. Smith, Vice-President Chas. L. Robinson, Cashier Oliver I. Pilat, Assistant Cashier Clarence Foote, Assistant Cashier	SURPLUS
\$10,000,000		\$2,500,000

This Bank invites the accounts of banks, firms and individuals, and is prepared to grant the best terms consistent with conservative banking.

## DIRECTORS

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George F. Baker  
Charles T. Barney  
E. J. Berwind  
C. Ledyard Blair  
Frederic Cromwell  
H. C. Deming  
Chauncey M. Depew  
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G. G. Haven  
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James H. Hyde  
Adrian Iselin, Jr.  
Brayton Ives  
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James H. Parker  
Elihu Root  
Thomas F. Ryan  
Jacob H. Schiff  
V. P. Snyder  
H. H. Vreeland  
William C. Whitney  
George W. Young

## EXTENSION NOTICE.

To the STOCKHOLDERS of the  
CHICAGO UNION TRACTION CO.,  
NORTH CHICAGO ST. RR. CO., and  
WEST CHICAGO ST. RR. CO.:

The time for the deposit of the stocks of the

Chicago Union Traction Company,  
North Chicago St. RR. Company, and  
West Chicago St. RR. Company,  
as provided by the call heretofore made by the Protective Committee, dated January 26th, 1903, is hereby extended to and including May 2d, 1903. By order of the Committee. (Signed) WILLIAM H. HENKLE, Secretary.

S. D. LORING, HOMER LORING  
C. SIDNEY SHEPARD, Special.

S. D. LORING & SON,  
BANKERS,

64 Devonshire Street, . . Boston.

## INVESTMENT BONDS.

MEMBERS OF  
NEW YORK AND BOSTON STOCK EXCHANGES.

ESTABROOK & CO.,

BANKERS,

85 Congress Street, Boston,

21 NASSAU STREET, NEW YORK.

INVESTMENT SECURITIES.

GOVERNMENT, MUNICIPAL

AND CHOICE RAILROAD BONDS.

## NOTICE.

The Second National Bank of Norwich, located at Norwich, in the State of Connecticut, is closing up its affairs, its corporate existence having expired at close of business on the 24th day of February, 1903. All note-holders and others, creditors of said Association, are therefore hereby notified to present the notes and other claims against the Association for payment.

Dated Feb. 25, 1903. IRA L. PECK, Cashier.

## Bonds for Sale.

Twenty-four Thousand and Five Hundred Dollars (\$24,500) of gold Municipal Improvement Bonds. For particulars address G. M. MASTERSON, Attorney, Room 45-49, Hood Building, Birmingham, Ala.

## Meetings.

NOTICE OF ANNUAL MEETING OF THE STOCKHOLDERS OF THE AMERICAN BEET SUGAR COMPANY, TO BE HELD APRIL 7TH, 1903.

TO THE STOCKHOLDERS OF THE AMERICAN BEET SUGAR COMPANY:

Notice is hereby given that the Annual Meeting of the stockholders of this Company will be held at its registered office, 15 Exchange Place, Jersey City, New Jersey, on the 7th day of April, 1903, at 10 o'clock in the forenoon, for the purpose of electing directors and transacting all and any other business that may properly come before the meeting, including the approval and ratification of all contracts, acts, by-laws and proceedings, authorized, adopted and had by the Board of Directors or the Executive Committee, and generally considering the affairs of the company, and taking any action competent for the stockholders, or either class of stockholders, to take with respect thereto.

The transfer books will be closed at 3 o'clock P. M., on March 17th, 1903, and will re-open at 10 o'clock A. M., on April 8th, 1903.

J. G. HAMILTON, Secretary.  
Jersey City, N. J., March 10th, 1903

## Dividends.

OFFICE OF THE  
NORFOLK & SOUTHERN RR. CO.  
GRAND CENTRAL STATION  
New York, March 17th, 1903.  
DIVIDEND NO. 44.  
A quarterly dividend of ONE PER CENT upon the capital stock of this company has been declared, payable at the office of the Metropolitan Trust Company, New York City, on April 10th, 1903, to stockholders of record March 31st, 1903. Transfer books will be closed at noon of March 31st, 1903, and reopen at noon on April 11th, 1903.  
By order of the Board of Directors.  
CLARENCE MORGAN, Treasurer.

THE ROCK ISLAND COMPANY.  
New York City, April 2d, 1903.  
The Board of Directors of the Rock Island Company have this day declared a quarterly dividend on the preferred stock of \$1.00 per share, payable May 1, 1903, to the holders of the shares of the preferred capital stock, or their legal representatives of record on the closing of the transfer books April 17th, 1903.  
The transfer books for the preferred stock will be closed at 3 o'clock P. M. April 17th, and opened again at 10 o'clock A. M. April 20th, 1903.  
GEO. T. BOGGS, Asst. Treasurer.

SEABOARD AIR LINE RAILWAY.  
OFFICE OF THE TREASURER.  
New York, March 26th, 1903.  
First Mortgage 4% Bonds.  
The coupons due April 1st, 1903, from the above-named bonds will be paid on and after April 1st, 1903, at the office of the Seaboard Air Line Railway, No. 15 Wall Street, New York.  
J. H. SHARP, Treasurer.

PHILADELPHIA COMPANY.  
TREASURY DEPARTMENT.  
Pittsburgh, Pa., March 30th, 1903.  
DIVIDEND.—The Directors this day declared a quarterly dividend on the Common Stock of ONE AND ONE-HALF PER CENT (1 1/2%), payable May 1st, 1903, to stockholders of record April 30, 1903. Checks will be mailed.  
C. J. BRAUN JR., Treasurer.

AMERICAN CAR & FOUNDRY CO.  
St. Louis, April 1st, 1903.  
PREFERRED CAPITAL STOCK.  
DIVIDEND NO. 13.  
At a meeting of the Board of Directors held this day, it was resolved that a dividend of 1% per cent on the preferred capital stock of the company be declared and paid on Friday, May 1st, 1903, at the office of the Guaranty Trust Company of New York, No. 65 Cedar Street, New York City, to stockholders of record at the close of business on April 10th, 1903. Transfer books will close Friday, April 10th, 1903, and reopen on Saturday, May 2d, 1903.  
S. S. DE LANG, Treasurer.  
D. A. BIXBY, Secretary.

AMERICAN CAR & FOUNDRY CO.  
St. Louis, April 1st, 1903.  
COMMON CAPITAL STOCK.  
DIVIDEND NO. 12.  
At a meeting of the Board of Directors held this day, it was resolved that a dividend of one per cent (1%) on the common capital stock of the company be declared and paid on Friday, May 1st, 1903, at the office of the Guaranty Trust Company of New York, No. 65 Cedar Street, New York City, to stockholders of record at the close of business on April 10th, 1903. Transfer books will close on Friday, April 10th, 1903, and reopen Saturday, May 2d, 1903.  
S. S. DE LANG, Treasurer.  
D. A. BIXBY, Secretary.

UNITED FRUIT COMPANY  
DIVIDEND NO. 13.

A quarterly dividend of ONE AND ONE-HALF PER CENT on the Capital Stock of this Company has been declared payable April 15th, 1903, at the office of the Treasurer, 131 State Street, Boston, Mass., to stockholders of record at the close of business March 31st, 1903.

CHARLES A. HUBBARD, Treasurer.

AMERICAN SMELTING & REFINING CO.  
71 Broadway, New York, March 17th, 1903.  
PREFERRED STOCK DIVIDEND NO. 13.  
The Directors of the American Smelting & Refining Company have this day declared a dividend of ONE AND THREE-QUARTERS (1 3/4) PER CENT upon the Preferred Capital Stock of the Company, payable April 7th, 1903, to stockholders of record at 12 o'clock M. March 31st, 1903. The books for the transfer of the Preferred Stock of the Company will close at 12 o'clock M. March 31st, 1903, and reopen April 8th, 1903.  
W. E. MERRISS, Asst. Secretary.

AMERICAN TELEPHONE & TELEGRAPH COMPANY.  
A dividend of ONE AND A HALF DOLLARS per share will be paid on Wednesday, April 15th, 1903, to stockholders of record at the close of business on Saturday, March 21, 1903.  
The transfer books will be closed from March 20 to April 4th, 1903, both days included.  
WILLIAM R. DRIVER, Treasurer.  
March 18th, 1903.

VULCAN DETINING COMPANY.  
New York, March 25th, 1903.  
The Board of Directors have this day declared a quarterly dividend of ONE AND THREE-QUARTERS PER CENT (1 3/4%) on the Preferred Stock and a dividend of ONE PER CENT (1%) on the Common Stock of this Company, payable April 20th, 1903.  
Transfer books close April 14th and reopen April 21st, 1903.  
MEYER HECHT, Secretary.

THE PROCTER & GAMBLE COMPANY.  
Cincinnati, Ohio, March 17th, 1903.  
The Directors of this Company have this day declared the regular quarterly dividend of TWO PER CENT on the Preferred Stock of the Company, payable on and after April 15th, 1903, to stockholders of record at the close of business March 31st, 1903. Transfer books will not close.  
D. B. GAMBLE, Sec'y.

OFFICE OF THE  
NEW YORK DOCK COMPANY.  
New York, March 18th, 1903.  
The Board of Directors has declared a dividend of ONE PER CENT on the Preferred Stock of this Company, payable April 15th to stockholders of record at the close of business on April 1st, 1903.  
GEO. E. SPENCE, Treasurer.

**\$25,000 4% 20-year renewal bonds**, dated April 1, 1903. Denomination, \$1,000. Interest semi-annual. A check for 5% of the amount bid, certified by a National or State bank, payable to the City Treasurer, required.

**Pawnee County, Kan.—Bonds Authorized.**—Senate Bill No. 688, approved by the Governor March 12, authorizes not exceeding \$10,000 bonds to drill wells for gas.

**Pickford School District No. 15, Mich.—Bond Offering.**—This district is offering for sale \$8,500 5% bonds, maturing \$1,000 in 5 years, \$1,000 in 10 years and \$1,500 in 15 years.

**Pittsburgh (Pa.) Lincoln Sub-School District.—Bond Offering.**—Proposals will be received until 6 p. m. April 15, by Dr. S. A. Sturm, Secretary, for \$100,000 4% 30-year school bonds. Denomination, \$1,000. Interest May 1 and Nov. 1, free from State tax.

**Pocatello (Idaho) Independent School District No. 1.—Bond Sale.**—On March 23 the \$30,000 10-20-year (optional) school-house bonds described in V. 76, p. 612, were awarded to Well, Roth & Co. of Cincinnati at 100-46, accrued interest and blank bonds for 4½ per cents. Following are the bids:

Well, Roth & Co., 4½%.....	+\$20,002	Robert Hayes, 5%.....	+\$20,300
Otis, Wilson & Co., 4½%.....	20,002	E. H. Rollins & Sons, 5%.....	20,345
W. S. Cheney, 5%.....	20,600	W. S. Cheney, 5%.....	20,800
R. Kleybolte & Co., 4½%.....	19,925	J. H. Brady, 5%.....	20,100
Chas. H. Coffin, 5%.....	20,430	H. A. Keane, 5%.....	20,040
		Duke M. Farson, 5%.....	20,025

\* And blank bonds. + And accrued interest. † Bids not accompanied by certified check, as required.

**Racine County (P. O. Racine), Wis.—Bond Election.**—At the election to be held April 6 the people will vote upon the question of issuing \$25,000 bonds for the erection of a new county house.

**Ramsey County, Minn.—Certificates to be Issued.**—The County Commissioners have authorized the issuance of \$120,000 4½ 15-year certificates to take up the floating debt.

**Red Lake County (P. O. Red Lake Falls), Minn.—Bond Sale.**—On March 23 the \$81,000 5% 10-year drainage bonds were awarded to Thorpe Bros. of Minneapolis at 101, accrued interest and blank bonds. Following are the bids for 5% bonds:

Thorpe Bros., Minneapolis.....	\$81,510	W. W. Pritchard, Thief River Falls.....	\$81,200
A. A. Keane, Chicago.....	81,510		
J. J. McCarty, St. Paul.....	81,500		

J. A. Duffy offered to take 4½% bonds for 3 8-5% commission.

**Rich Hill, Mo.—Bond Offering.**—Proposals will be received until April 7 by L. F. Caldwell, City Clerk, for \$53,000 4% coupon water, light and gas bonds. Date, April 1, 1903. Interest semi-annually in St. Louis. Maturity, 20 years, \$25,000 being subject to call after five years and \$30,000 after ten years.

**Robertson County, Tenn.—Bonds Defeated.**—On March 14 the taxpayers voted against the issuance of \$150,000 road bonds.

**Rochester, N. Y.—Temporary Loan.**—The City Comptroller on March 30 awarded an eight-months' temporary loan note to the Rochester Savings Bank at 4½%. Following are the bids:

Rochester Sav. Bank.....	\$100,000@4½%	O'Connor & Kahler.....	\$100,000@5.75%
Broadway Sav. Inst.....	10,000@4.95%		

**St. Clair County (P. O. Ashville), Ala.—Bonds Voted.**—At the recent election the people, by a majority of 65, voted to issue road-improvement bonds.

**St. Clair Township, Columbiana County, Ohio.—Bond Offering.**—Proposals will be received until 1 p. m. April 15, by Jerry L. Analey, Township Clerk, at his office in the village of Calcutta, for \$27,000 4% road-improvement bonds. Date, April 15, 1903. Denomination, \$500. Interest, April 15 and October 15 at the Citizens' National Bank, East Liverpool, Ohio. Maturity yearly on April 15 from 1905 to 1931, inclusive, as follows: \$500 yearly from 2 to 8 years after date, \$1,000 in 9 years, \$500 in 10 years, \$1,000 in 11 and also in 12 years, \$500 in 13 years, \$1,000 yearly from 14 to 19 years, \$1,500 yearly in 20 and also in 31 years, \$1,000 in 32 years, \$1,500 from 23 to 26 years, \$2,000 in 27 years and \$1,500 in 28 years. Certified check for \$500 on some national bank to order of Township Clerk required. Purchaser pays accrued interest.

**St. Henry Special School District, Mercer County, Ohio.—Bond Sale.**—This district has sold an issue of \$8,000 bonds to the First National Bank of Celina at 102-519. Bids were also received from the Citizens' Banking Co. of Celina, the New First National Bank of Columbus, Denison, Prior & Co. of Cleveland and Boston, P. S. Briggs & Co. of Cincinnati and W. J. Hayee & Sons of Cleveland.

**St. Johns (Mich.) School District.—Bonds Defeated.**—On March 16 the voters of this district defeated by a large majority the proposition to issue \$5,000 bonds for a new school building.

**Salt Lake County, Utah.—Bond Sale.**—On March 25 this county sold \$15,500 5% funding bonds to the State Board of Land Commissioners at par and accrued interest. Denomination, \$500. Date, March 2, 1903. Interest, semi-annual. Maturity, March 2, 1923; optional after March 2, 1908.

**San Buena Ventura, Cal.—Bond Offering.**—Proposals will be received until 5 p. m., April 20, by E. W. R. Isenese, Town Clerk, for the following bonds:

\$4,000 5% 1-10-year (serial) sewer-extension bonds, in denomination of \$400.	
\$2,000 5% 1-20-year (serial) Ash Street sewer bonds, in denomination of \$400.	
\$3,000 5% 1-20-year (serial) town-hall and library bonds, in denomination of \$400.	
\$2,000 5% 1-20-year (serial) street crosswalk bonds, in denomination of \$100.	
\$2,000 5% 1-20-year (serial) plaza sidewalk bonds, in denomination of \$100.	

Interest, semi-annual. Certified check on a California bank for 1% of the amount bid, payable to the Town Treasurer, required.

**Seattle, Wash.—Bond Offering.**—Proposals will be received until 10 a. m., May 9, by Jno. Riplinger, City Comptroller, for \$590,000 4% general bonds for the purpose of acquiring a plant and system for furnishing light and power for corporate and individual uses. Authority, vote of 8,234 for to 1,581 against at election held March 4, 1903. Denomination, \$1,000. Interest semi-annually at the fiscal agency of the State of Washington in New York City. Maturity, 20 years. Bonds are to be delivered to the successful bidders in blocks of \$25,000 or multiples thereof, the whole amount to be turned over within 12 months from the date of the first delivery. Certified check on some Seattle bank for \$3,000, payable to the City Comptroller, required of all bidders except the State of Washington. Bids will be opened at 2 p. m. May 9.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

**Sewickley, Pa.—Bond Sale.**—On March 20 the \$80,000 4% refunding water bonds described in V. 76, p. 614, were awarded to the Colonial Trust Co., Pittsburgh, at 101-25.

**Solvay, N. Y.—Bond Offering.**—A. E. Waterfield, Village Clerk, will sell at public auction at 10 a. m. April 20 \$50,000 Milton Avenue macadam and sidewalk bonds. Bids by mail will also be considered.

**Springfield (Ky.) Graded School District.—Bonds Not Yet Sold.**—We are advised under date March 28 that negotiations are pending for the sale of the \$14,000 20-year school bonds offered on March 25 and described in V. 76, p. 672.

**Statesboro, Ga.—Bonds Voted.**—This city on March 25 voted to issue \$37,000 electric-light and water-works bonds.

**Steuenville, Ohio.—Bond Election.**—At the regular spring election April 6 the question of issuing \$75,000 water-works bonds will be voted upon by the people.

**Syracuse, N. Y.—Bonds Authorized.**—An ordinance has passed the City Council providing for the issuance of \$15,000 Harbor Brook improvement bonds.

**Tallahassee, Fla.—Bonds Proposed.**—The City Council has decided to ask the Legislature for authority to issue \$160,000 paving and sewer bonds.

**Terre Haute, Ind.—Bond Sale.**—On March 13 \$40,000 4% 10-20-year (optional) judgment bonds dated March 11, 1903, and \$25,000 4% 10-20-year (optional) park bonds dated March 12, 1903, were awarded to W. J. Hayes & Sons, Cleveland, at 103-452 and 103-208, respectively.

**Verndale, Wadena County, Minn.—Bond Sale.**—On March 14 the \$7,000 5% electric-light-plant bonds described in V. 76, p. 506, were awarded to J. S. McEwen of Minneapolis at 103-755.

**Victor, Colo.—Bond Sale.**—We are advised that the fiscal agents for the city of Victor have sold \$220,000 of the \$350,000 water bonds which the city proposes to issue. These bonds carry 5% interest and are dated Feb. 1, 1901. Interest will be payable semi-annually in gold at Kountze Bros., New York City. Maturity, Feb. 1, 1916; optional after Feb. 1, 1911. Those desiring to purchase any of these bonds may address the fiscal agents, J. F. Kelly of Victor or E. J. Condon of Denver, Colo. See CHRONICLE Aug. 2 and July 26, 1902.

**Warren County (P. O. Lebanon), Ohio.—Bond Offering.**—Proposals will be received until 12 m., April 20, by S. A. Stillwell, County Auditor, for \$24,000 5% refunding bridge bonds. Authority, Section 2834a Revised Statutes of Ohio. Denomination, \$500. Date, April 20, 1903. Interest March 1 and Sept. 1, at office of the County Treasurer. Maturity \$3,000 yearly on Sept. 1 from 1904 to 1908, inclusive. Certified check for \$500, payable to County Treasurer, required.

**Washington, N. C.—Bond Offering.**—Proposals will be received until 5 p. m., April 20, by the Mayor and Aldermen, for \$32,000 5% gold funding bonds. Denomination, \$1,000. Interest, May 1 and Nov. 1 in Washington, or, if requested by the purchasers, at any bank or trust company in New York, Philadelphia or Baltimore. Maturity, \$3,000 yearly on May 1 from 1923 to 1933, inclusive, bonds to be paid each year to be drawn by lot. Certified check for \$200, payable to the City Treasurer, required. Each bid must be for the entire amount offered. There is no other municipal debt whatever. John R. Ross is City Clerk.

**Waterbury, Conn.—Bonds Proposed.**—The Senate Committee on Finance has favorably considered a resolution providing for the issuance of water bonds.

**Watervliet, N. Y.—Bill Legalizing Bonds.**—The State Legislature has passed a bill legalizing the issuance of the \$32,000 3½% school bonds awarded last July to E. J. Gallien of Albany.

**Waynesburg (Borough), Greene County, Pa.—Bond Offering.**—Proposals will be received until 7 p. m., April 10, by S. M. Smith, Secretary Town Council, for \$40,000 4% bonds, of which \$35,000 are for paving and \$5,000 for sewers and drainage. Denomination, \$500. Date, April 1, 1903. Interest semi-annually at office of Borough Treasurer. Maturity, various amounts each six months from April 1, 1904, to Oct. 1, 1933, inclusive; all bonds unpaid at the end of 30 years being subject to call at any time thereafter. The maturity was given in full on page 673 of the CHRONICLE March 21.

**Whatecom County School District No. 1, Wash.—Bond Offering.**—Proposals will be received until 10 a. m., April 6, by F. F. Handschy, County Treasurer, for the \$35,000 bonds.

an investment. Mr. Arthur Stuart has resigned the position of Chairman of the Finance Committee after having been connected with that committee for the past fifteen years either as a member or as Chairman.

**Winton Place, Ohio.—Bond Election.**—At the spring election to be held April 6, 1903, the people will be asked to vote upon the question of issuing \$10,000 street-macadamizing, \$45,000 sewer and \$85,000 cement curb and gutter bonds.

[illegible]

[illegible]

## NEW LOANS.

**\$590,000**

**CITY OF SEATTLE, WASH.**  
**GENERAL BONDS.**

Notice is hereby given that sealed proposals will be received at the office of the City Comptroller of the City of Seattle, Washington, until THE 9TH DAY OF MAY, 1963, at 10 O'CLOCK A.M., for the sale of \$400,000 General Bonds, said bonds to be issued for the purpose of acquiring a plant and equipment for the use of the City of Seattle, for corporate or individual uses, or both such uses. Said bonds will be issued in denominations of \$1,000 and shall run for a period of 25 years and bear interest at the rate of 4% per annum, payable annually, and will be delivered to the successful bidder in blocks of \$50,000 or multiples thereof; the bonds to be delivered within 12 months from the date of final delivery.

A certified check in the sum of \$3,000 upon some bank in the City of Seattle payable to the City Comptroller must accompany each bid.  
The right is reserved to reject any and all bids.  
Bids will be opened May 28th, 1904, at 2 o'clock P.M.  
For further particulars address  
**JNO. RIPLINGER,**  
City Comptroller of the City of Seattle.  
Seattle, Wash., March 28, 1904.

JNO. HIPLINGER,  
City Comptroller of the City of Seattle.  
Seattle, Wash., March 23, 1903.

**\$101,800**  
Territory of New Mexico,  
4<sup>th</sup> GEN. REFUNDING BONDS.

Sealed proposals will be received by the undersigned, Treasurer of the Territory of New Mexico, at Santa Fe, New Mexico, until MAY 30TH, 1908, AT 10 O'CLOCK A. M. for the entire issue of the above described bonds, delivery to be made at New York, Chicago, St. Louis or Denver. No bids for less than par will be entertained; the right being reserved to reject any or all bids.

Issue is made under Council Bill 25 of the 39th Legislative Assembly of the Territory of New Mexico in the manner prescribed by Chapter 88, Sections 1-4, Laws of 1905, for purposes of retiring one hundred and one thousand eight hundred (\$101,800) dollars of Casual Defect bonds.

Bonds to be dated June 1st, 1905, and becoming absolutely due and payable thirty years after date and optional in twenty years after date of issue, payable in New York, bearing interest at three per cent per annum, interest payable semi-annually in New York.

J. H. VAUGHN,  
Treasurer of New Mexico.

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## INVESTMENT BONDS

## INVESTMENT BONDS.

**SEND FOR LIST.**

**DENISON, PRIOR & CO.**  
CLEVELAND. BOSTON.

**CLEVELAND.                      BOSTON**



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